TRI-CITIES PROFILE
FEBRUARY 1997

Labor Market and Economic Analysis Branch
Employment Security Department

This report has been prepared in accordance with RCW 50.38.050.

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INTRODUCTION

This report profiles the labor market and economic characteristics of the Richland-Kennewick-Pasco Metropolitan Statistical Area (frequently shortened to *Tri-Cities*), which encompasses all of Benton and Franklin counties. It was prepared by the Labor Market and Economic Analysis (LMEA) Branch of the Washington State Employment Security Department and is one in a series of reports that profiles labor market and economic conditions in each of Washington's 39 counties.

The profile is designed to help state and local planners develop economic strategies. It is also an effective tool for answering labor market and economic questions frequently asked about the counties. Readers with specific information needs should refer to the *Table of Contents* to more quickly access those sections of particular interest to them.

Like the earlier *Tri-Cities Profile* for April 1992, the purpose of this report is to provide a relatively comprehensive labor market and economic analysis of the Tri-Cities area. Characteristics profiled include the following:

- physical geography, economic history, and demographics
- labor force composition and trends
- industries, employment, income, and earnings
- skills and occupations
- economic development and job training

Much of the information in this report is regularly updated on the LMEA Internet homepage. The homepage contains current and historical labor market information which can be accessed by area or by type of information. The site address is:

http://www.wa.gov/esd/lmea

In addition to the Internet, much of the information is also regularly updated in an LMEA data base made available to the public through an electronic bulletin board system. The system can be accessed at no cost via personal computer, computer modem, and appropriate communications software. For information about accessing the bulletin board, contact the Automated LMI section of the Employment Security Department at (360) 438-4800.

Any inquiries or comments about information in the profile should be directed to the Labor Market and Economic Analysis Branch. Questions relating to economic development may also be addressed to the Tri-City Industrial Development Council (TRIDEC) at 1-800-TRI-CITY.

GEOGRAPHY

Since Washington is known as the Evergreen State, it is viewed by many as a land of forests and gentle rains. The Tri-Cities, however, is a dry land area of south central Washington, averaging only seven-to-eight inches of precipitation per year in the lower elevations and ten inches or more for the Horse Heaven Hills and higher elevations. Ample sunshine is an attractive feature of the region. Some 70 percent of the precipitation comes in the six-month period from November through April.

The geography of the region is dominated by three major rivers: the Columbia, Snake, and Yakima. The area of their confluence is, and historically has been, the site of large population centers. The Horse Heaven Hills, which lie southwest of the urban area, provide the community with its southern horizon. It is in this portion of the state that the rivers converge and form Lake Wallula upstream from McNary Dam on the Columbia River. The rivers provide a sharp contrast to the warm mosaic of the surrounding land, the majority of which is either under irrigation or dry-land cultivation. In Franklin County, for example, 41 percent of the land is given over to irrigated agriculture and 31 percent is devoted to dry-land farming. The rivers give the Tri-Cities its most enduring character; abundant water for both irrigation and energy, a major transportation intersection (water, rail, air, and road), and a major recreational resource.

Benton and Franklin counties combined occupy a total of 3,016 square miles. Benton County alone covers 1,772 square miles and ranks 22nd largest in the state. Its county seat is at Prosser. Franklin County covers 1,244 square miles and ranks 27th. Its county seat is at Pasco. The two counties are located in the south central portion of Washington State. Taken as a unit, the northern border abuts Grant and Adams counties; the western border adjoins Yakima and Klickitat counties; the eastern side faces Whitman, Columbia (briefly), and Walla Walla counties; and the southern boundary is formed by the Columbia River and the state of Oregon.

Elevations run from about 300 feet above sea level at the lower points to over 3,000 feet in the higher reaches of the Rattlesnake Hills in Benton County. The terrain is generally basin and valley bottomland with upland plateaus.

ECONOMIC HISTORY

The following section was excerpted from *Tri-Cities: The Mid-Columbia Hub* by Ted Van Arsdol.

Native Americans, of course, were the first inhabitants of the Tri-Cities area and some archaeological findings have established evidence of occupancy dating back perhaps as much as 9,000 years. From the quality and variety of artifacts found, a picture of a stable culture emerges, one with leisure time, comprehensive religious beliefs, and extensive trade and communications. Articles made from Olivella shells from the Pacific Coast (beads), jade from British Columbia (adz chisels), and obsidian from Glass Butte, Oregon (arrow and spear heads and knives) have been found in the Tri-Cities, attesting to the broad extent of trade.

The principal source of food for the Columbia River tribes was salmon, mainly taken during the annual spring salmon run. Dried on open air racks, the fish would be stored for winter food or used for trading with other tribes. Aside from salmon (and steelhead), seeds, roots, and berries were important dietary elements. Indian tribes occupying the Tri-Cities area were also hunters and would often travel to the mountains outside the river country in search of game.

Even though the local tribes (the Cayuse, Walla Walla, Nez Perce, and a number of others) were used to travelers and traders, they couldn't have been prepared for the sight that greeted them in 1805----the first white men to set foot in the area, the Lewis and Clark expedition. Staying two days at the junction of the Snake and Columbia rivers, the party departed for the Pacific but returned again the following year on their way back east. After Lewis and Clark, it was just a matter of time before the onslaught of American, English, and French fur traders reached the area. The Europeans and Americans, unfortunately, brought diseases with them----approximately 80 percent of the native population of the Northwest succumbed to small pox, measles, dysentery, etc., during and after the great epidemics of 1830-31.

In 1811, an Englishman, David Thompson, claimed the land around the confluence of the three great rivers for England. Working for the North West Company, he was the first of the traders and trappers representing the great fur companies. Not long afterwards, John Jacob Astor's Pacific Fur Company established Fort Astoria on the Pacific, representing the United States; from this hub, the company's agents spread throughout the Northwest and to the Tri-Cities area. However, after the end of the War of 1812, Astor's company began withdrawing from the area because of financial reverses and was eventually gone by 1813. The North West Company merged with Hudson's Bay Company, which became the dominant force in the region.

In 1818 the construction of Fort Nez Perce began; it was located on the Columbia near the mouth of the Walla Walla River about ten miles south of the Snake River. Later known as Fort Walla Walla, the post remained the center of activity in the region until it was abandoned when the Hudson's Bay Company relinquished its presence in the region following the Indian Wars of 1855.

Trapping and trading for furs were the principal economic activities of these first white people. However, a political agenda was also involved; who would establish legal claim to the territory, the United States or Great Britain? While the British Hudson's Bay Company was the largest organized entity in the Northwest at that time, increasing numbers of U.S. settlers, with intentions of farming, were beginning to permeate the area, and had the active encouragement of the U.S. government and its Manifest Destiny policy. Eventually, Great Britain and the U.S. established the 49th parallel as the dividing line between British and American territory (1846).

The decline of fur trading and trapping in the Tri-Cities region was offset by the rise, in the 1850s, of steamship transportation on the great rivers. Steamships were necessary to support the emergent ranching enterprise; by the 1860s, cattle and horse herds dotted the area. This transportation also supported gold miners. With the discovery of gold in northeastern Washington and Canada, prospectors from California and Oregon headed north, frequently through the Tri-Cities region. A fairly substantial number of prospectors also worked the sand bars of the Columbia River although no great quantities of the metal were ever found.

After steamship transportation became firmly established, the railroads arrived. Beginning in the late-1870s, railway construction became an almost feverish activity in the region. The town of Ainsworth was laid-out and built in 1879 to house railroad construction crews. Located at the mouth of the Snake River, it was designated the county seat when Franklin County was established in 1883 by the

Washington Territorial Government. Soon after, though, when construction in the Ainsworth area was completed, the town was vacated. By 1885 nothing was left----even the wood had been evacuated to build Pasco, another railroad town, which soon became the county seat. Northern Pacific's rail link from Spokane to Minnesota was completed in 1883, and local and regional links and spurs were built thereafter throughout the Tri-Cities. Significant railroad construction activity continued until the automobile began to supplant the railroads after WWI.

During the heyday of the railroads, farming began to increase in importance in the region. The major drawback to agriculture, though, was lack of water. The early farmers, who had purchased land with the belief that the railroads would bring prosperity to the area, had a tough go of it. In the 1890s, first attempts were made to irrigate land by constructing canals and pumping water to farming areas. These efforts, mainly by private concerns, continued for several decades but never proved to be profitable. Even the establishment of publicly controlled irrigation districts did little to provide water at a practical cost. The price of water usually offset the profits made from crops. As late as 1900, travelers passing through by rail would mainly see vistas of sage brush and open-range grazing of cattle and horses. The increase in settlement, though, was recognized when Benton County was established in 1905 from eastern portions of Yakima and Klickitat counties. Named after the Missouri senator, Thomas H. Benton, the county's 1910 population was 7,937.

The aftermath of WWI saw a boom in road building throughout the area (and the nation). The rise of the automobile spelled the decline of the railroads and these farm-to-market roads helped open up the region as much as the railroads did. Lack of water still remained the major obstacle to agricultural and economic development. During the 1930s, though, the federal government assumed a major role in land reclamation with the construction of, among others, the Grand Coulee Dam. The Columbia Basin Irrigation Project of the 1950s expanded the amount of water going to the Tri-Cities. The McNary Dam was completed in 1954. Dam building continued, irrigation increased, advances in agricultural chemistry made dry-land farming a successful enterprise, and the Tri-Cities region bloomed as an agricultural center. Not only did agriculture boom, but its related food processing industry also flourished----all those crops had to be prepared for marketing. Beginning in the 1950s, an agrichemical industry was born along the banks of the Columbia near Kennewick. The chemical production industry evolved into a major component of the region's economy; the largest producers of fertilizers in the Pacific Northwest came to be located in the Tri-Cities.

World War II brought a new kind of prosperity to the region. Beginning with a naval air station for training pilots and ending with a plutonium production facility, the war completely transformed the Tri-Cities. The 1940 Census listed 18,360 people in Benton and Franklin counties----the 1950 Census showed 64,933----over a 250 percent increase.

The driving force behind the growth, of course, was the plutonium production facility at Hanford. As part of the Manhattan Project, plutonium from Hanford went into the first atomic explosion at Alamagordo and into the atomic bomb *Fat Man* that was dropped on Nagasaki to end the war.

The wherewithal to produce such materials required a new labor force and a new city. Hanford was built at the site of the old Hanford irrigation/agricultural town (population less than 300) to house the labor force that constructed the nuclear plant. The new Hanford included barracks, mess halls, and all other necessary facilities for a work force which peaked at 51,000. The nearby city of Richland was also taken over by the U.S. government to house the operators of the nuclear reactors being built.

The region grew at a tremendous pace during the war years but did not slump back to pre-war levels at the conclusion of hostilities like many other communities. The Cold War and the threat of nuclear war kept the Hanford Project thriving. Plutonium production for use in nuclear weapons continued until 1988 when it was halted amid controversy and publicity following the Chernobyl disaster. Through the 1960s and 1970s, Hanford also became a center for research and application of nuclear energy to non-military purposes. This strong effort into basic and applied nuclear research continues to the present.

Another construction boom hit the Tri-Cities in the 1970s. The Washington Public Power Supply System (WPPSS) had selected the Tri-Cities for construction of three nuclear reactor plants to generate electricity (another two plants were to be built at Satsop in Grays Harbor County). Although only one was ultimately built and put into operation, construction employment payrolls swelled through the 1970s and 1980s. The abnormally high employment levels fell back when WPPSS halted construction of four of the five plants in 1982 and defaulted on its bonds for two plants in 1983. The Hanford Plant 2 reactor was completed and opened in 1984.

POPULATION

Population Trends

Changes in population generally reflect, although belatedly, economic conditions; the fluctuations in population, therefore, are usually viewed as an after-the-fact judgement of economic health----people follow jobs.

Growth of population in the Tri-Cities has varied widely during the last two decades. From 1970 to 1996, the combined populations of Benton and Franklin counties grew by 87 percent; from 93,266 to 174,400. At the same time, Washington State's population only increased 62 percent. The increase in Benton County was greater than in Franklin County (94 percent versus 69 percent) but both outpaced the state. The bulk of the population growth in both counties occurred during the same two periods; from the early-1970s through 1981 and from 1990 to 1995. *Figures 1 and 2* show the population of the two counties since 1970: as is apparent, growth and decline occur at the same times. Overall, Benton County's population grew by 63,550 during the period while Franklin County's grew by 17,884.

The migratory element of population change reacts more quickly to economic change than does the natural element (births and deaths). The population change during the "bust" decade of the 1980s in the Tri-Cities reveals the extent to which migration affects population. Were it not for migration, the population of the Tri-Cities would have increased by 19,343 (the result of births less deaths). However, net migration (in-migration minus out-migration) resulted in a loss of 13,779 residents, yielding a total population gain of only 5,564 over the decade.

That trend, though, has reversed thus far in the 1990s. From 1990 to 1995 the natural change has increased the population by 9,437 and net migration added another 15,530. The large level of in-migration stemmed from heightened employment opportunities, primarily associated with the clean-up effort at Hanford. From 1995 to 1996, though, population growth halted. The number of Benton County residents did not change and Franklin County lost about 300 residents.

Figure 1
Population
Franklin County, 1970-1996
Source: Office of Financial Management

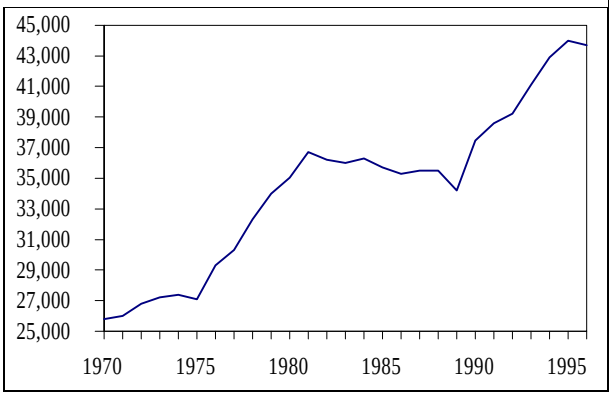
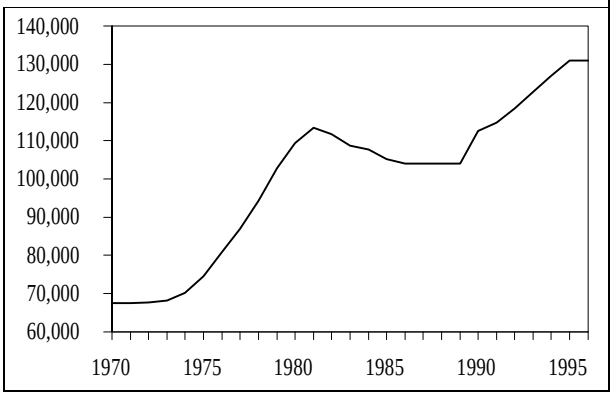


Figure 2
Population
Benton County, 1970-1996
Source: Office of Financial Management



Towns and Cities

The Tri-Cities had nine municipalities in 1996. *Figure 3* shows their population changes from 1990 through 1996. The three largest (Richland, Kennewick, and Pasco) all had about the same growth, between 10 and 14 percent. Unincorporated areas had stronger growth than incorporated areas, and, except for Prosser, the smaller towns had stronger growth than the larger ones.

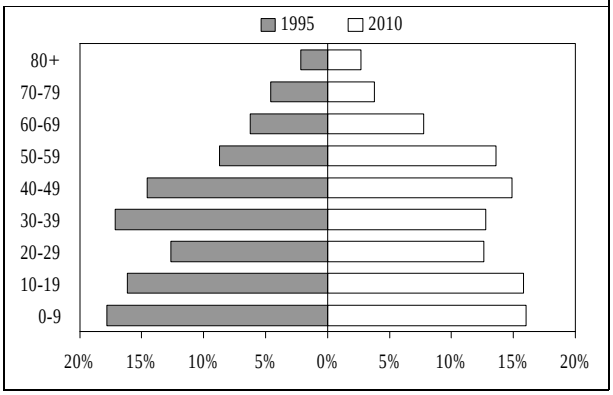
Figure 3
Population of Cities and Towns of Tri-Cities
1990-1996
Source: Office of Financial Management

	1990	1991	1992	1993	1994	1995	1996
Tri-Cities	150,033	153,400	157,700	163,900	169,900	175,000	174,700
Unincorporated	42,561	44,462	45,820	49,450	50,200	51,550	51,402
Incorporated	107,472	108,938	111,880	114,450	119,700	123,450	123,298
Benton City	1,806	1,835	1,910	1,950	2,090	2,110	2,110
Connell	2,005	2,015	2,040	2,375	2,640	2,690	2,634
Kahlotus	167	175	185	200	200	215	232
Kennewick	42,152	42,773	44,490	45,110	46,960	48,130	48,010
Mesa	252	250	315	315	315	325	397
Pasco	20,337	20,660	20,840	21,370	22,170	22,500	22,370
Prosser	4,476	4,470	4,485	4,540	4,630	4,790	4,835
West Richland	3,962	4,020	4,065	4,510	5,265	6,420	6,720

Age Groups

The population of the area is aging. The large cohort born between 1946 and 1964 is starting to reach age 50. In another 15 years (in 2010), the make-up of the population will be quite different than it is now. The percentage of people over 50 will have increased from 22 to 28 percent of the total. This "graying" of the population is going to have a strong impact on society: those same "boomers" who triggered the explosion of school and house construction during the 1950s will trigger an explosion in elderly care facilities in the next ten-to-twenty years. *Figure 4* shows the Tri-Cities population categorized into age groups for the years 1995 and 2010.

Figure 4
Population by Age Groups
Tri-Cities, 1995 and 2010
Source: Office of Financial Management

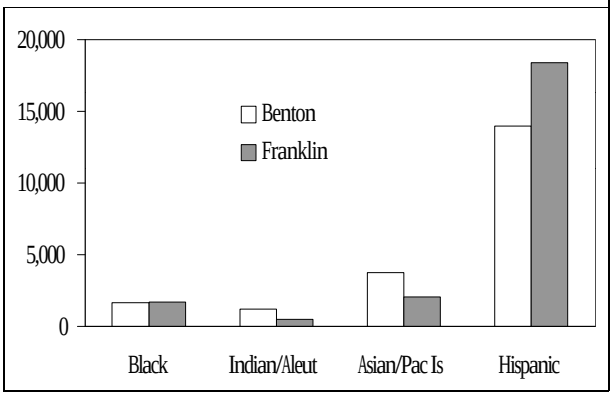


Race and Hispanic Origin

There are real differences between the populations of Benton and Franklin counties. Racially, the bulk of the population in both counties is white: 95 percent in Benton and 90 percent in Franklin. However, in proportion to each county's total population, there are more than three times as many blacks in Franklin as there are in Benton, almost twice as many Asians and Pacific Islanders, and a few more Native Americans. However, the actual share sizes of racial minorities in both counties is quite small given the large number of whites. *Figure 5* charts the population of racial minorities in the two counties.

The largest difference between the two counties stems from those of Hispanic origin. While this is not a racial category (its members can be of any race), Hispanics enjoy a large share of the population in both counties. Benton County is 11 percent Hispanic origin and Franklin County's Hispanic population has a whopping 42 percent share of the total. These figures are quite different from those of the state as a whole where those of Hispanic origin constitute only 6 percent of the population.

Figure 5
Population by Minority Race/Hispanic Origin
Tri-Cities, 1995
Source: Bureau of the Census



If the Tri-Cities are taken as a whole, the size of all racial minorities is proportionally smaller than the statewide figures for the same races. Those of Hispanic origin, though, retain a significantly larger share than they do statewide (19 percent versus 6 percent).

CIVILIAN LABOR FORCE

The resident civilian labor force is defined as all those persons 16 years of age and older who are working or looking for work. At the national level there is an additional labor force count----the total resident labor force----which includes uniformed military personnel. Active military personnel are not included in the state or local labor force figures.

Trend

Figure 6 shows the Tri-Cities labor force size and also displays Benton and Franklin counties separately from 1978 (when discrete series of labor force record keeping began). The increase, gradually sharpening, that started in 1972 reflected the construction boom caused by the WPPSS nuclear power generator program. The declines in the early-1980s are related to the halt of that program and the 1980-81 recessions. From 1985 to 1990, though, both counties enjoyed modest growth in their labor force size: Benton County increased 10.7 percent and Franklin County grew 7.0 percent. However, overall for the decade 1980-1990, Benton County's labor force declined in size by 4.2 percent and Franklin County's shrank by 13.8 percent (Washington State's grew by 26.2 percent). During the same decade, the Tri-Cities population grew by 3.9 percent. The increase in labor force size beginning in 1988 is primarily attributed to increased nuclear waste management efforts.

Figure 7 shows the Tri-Cities labor force indexed to 1970=100 and compares it to Washington's. This portrayal of the growth rates makes it evident that the labor force in the counties has greatly outperformed the state's and also that expansions and contractions are much more volatile in the counties. All told for the period 1970-95, the Tri-Cities work force grew 133 percent while the state's grew 98 percent. From 1972 to 1982, the counties' labor force doubled. After declining precipitously in the mid-1980s, it has expanded at an annual rate of 4.7 percent since 1988. The state has averaged 2.8 percent growth per year since 1988.

Figure 6
Civilian Labor Force, 1970-1995
Tri-Cities, Benton & Franklin Counties
Source: Employment Security Department

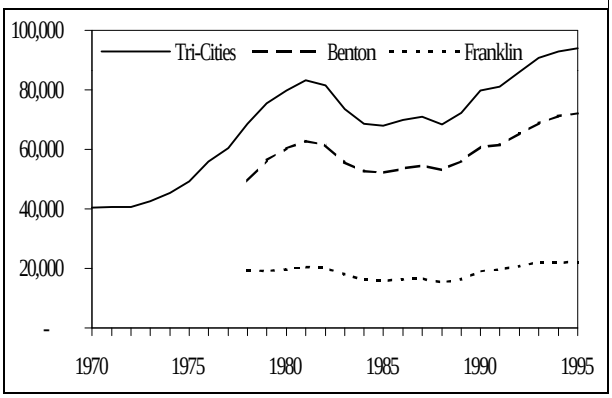
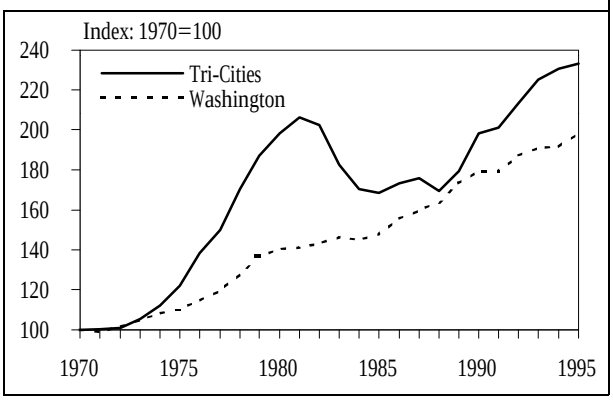


Figure 7
Civilian Labor Force, 1970-1995
Tri-Cities & Washington State
Source: Employment Security Department



Labor Force by Race and Sex

Like the population in general, the demographics of the labor force show a sharp difference between Benton and Franklin counties. *Figure 8* shows the 1995 estimates of the composition of the labor forces in both counties and in Washington State as a whole. (In this table, all the races exclude those of Hispanic origin, who are shown as a separate group.) Franklin County's labor force has a much larger percentage of persons of Hispanic origin than does Benton County; 40 percent versus 10 percent. Throughout the state, Hispanics make up about 5 percent of the work force. There are fewer blacks, fewer Native Americans, and fewer Asians and Pacific Islanders in both counties, proportionally, than there are statewide, although the differences are not large.

There are also fewer women in the work force in the Tri-Cities than there are statewide. Forty-five percent of Washington's work force are women, whereas the figure is 42 percent in Benton County and 38 percent in Franklin County.

Figure 8
Resident Labor Force By Sex, Race and Hispanic Origin
1995 Annual Average
Source: Employment Security Department

	Benton County		Franklin County		Washington	
Sex and Minority Status	Labor Force	Percent	Labor Force	Percent	Labor Force	Percent
Total	72,000	100%	22,000	100%	2,805,10	100%
White	61,800	86%	12,000	55%	2,394,10	85%
Black	800	1%	400	2%	78,700	3%
Native American	500	1%	200	1%	41,700	1%
Asian & Pacific Islander	2,000	3%	600	3%	153,000	5%
Hispanic Origin	6,900	10%	8,700	40%	137,600	5%
Female Total	30,400	100%	8,400	100%	1,253,00	100%
White	26,300	87%	5,200	62%	1,068,00	85%
Black	300	1%	200	2%	35,400	3%
Native American	300	1%	100	1%	19,300	2%
Asian & Pacific Islander	800	3%	200	2%	75,900	6%
Hispanic Origin	2,700	9%	2,700	32%	54,400	4%
Male Total	41,600	100%	13,600	100%	1,552,10	100%
White	35,500	85%	6,800	50%	1,326,10	85%
Black	500	1%	200	1%	43,300	3%
Native American	200	0%	100	1%	22,400	1%
Asian & Pacific Islander	1,200	3%	400	3%	77,100	5%
Hispanic Origin	4,200	10%	6,000	44%	83,200	5%
Female Percent of Total	42%	---	38%	---	45%	

All races exclude those of Hispanic origin, as Hispanic is indicated as a separate group.
Race estimates are based on 1990 Census and 1995 population data from the Office of Financial Management.
Detail may not add to indicated totals because of rounding.

UNEMPLOYMENT

Trend

The civilian labor force consists of both those who are working and those without a job who are looking for work. The unemployment rate is the percentage of the total labor force who are not working but who are actively looking for work. The unemployed do not include retirees, persons in institutions (including students), or those who have come to be known as "discouraged workers," i.e., persons who would like to work but who are not actively searching for a job. None of these groups of people are included in the unemployment figures because they are not looking for work.

At the national level, the unemployment rate is determined by a monthly survey of households. At the local level, the state's portion of this household survey is integrated with other information (e.g., unemployment insurance claims and surveys of business establishments) to produce unemployment rates at the state and county level.

In 1995, the annual average unemployment rate in Benton County was 7.5 percent, Franklin County was 10.0 percent, and Washington State was 6.4 percent. The rates for Benton and Franklin counties were substantially higher than those of 1994 (which were at near-record lows), reflecting, mainly, cutbacks at Hanford. Through September of 1996, the rates in the counties are, on average, somewhat higher than a year ago; for Washington, somewhat lower.

Prior to 1978, data regarding unemployment for Benton and Franklin counties were consolidated into the Tri-Cities series; after 1978, separate county data series were kept *(see Figures 9 and 10)*. Unemployment in the Tri-Cities has generally been greater than throughout the state. The average since 1970 is 9.5 percent in the counties and 7.9 percent in the state. Until 1982, unemployment in the counties closely paralleled that of the state. However, from 1982 (when the Tri-Cities' rate hit 14.2 percent) until the early-1990s when the rates converged, a large gap between the two persisted. Following the national recession of 1990-91, rates in both counties increased, leveled off, then decreased sharply in 1994. Although the counties' unemployment rate dipped below the state's in 1994, the gap between the Tri-Cities and the state seems to be re-forming. The Tri-Cities' 8.1 percent unemployment rate in 1995 equated to 7,600 persons seeking work.

Figure 9
Unemployment Rates
Tri-Cities, Washington, & U.S., 1978-1995
Source: Employment Security Department

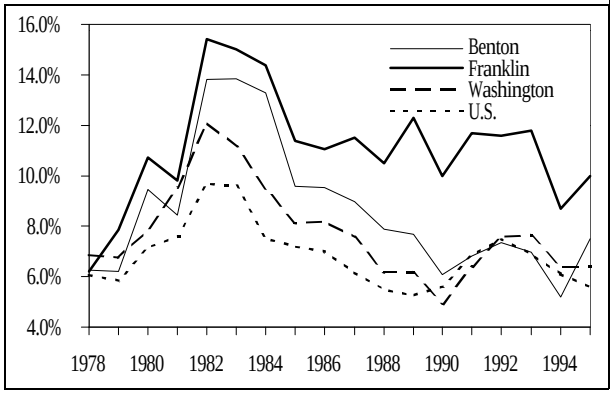
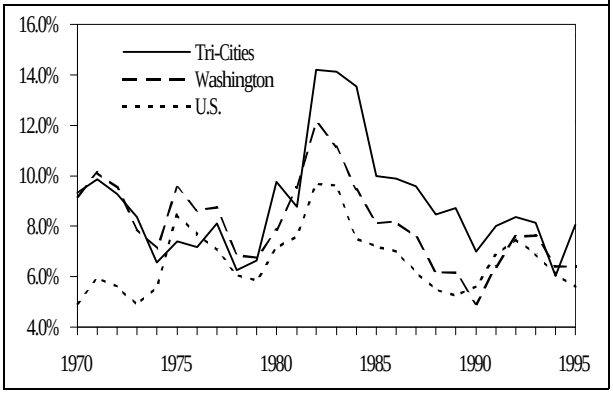


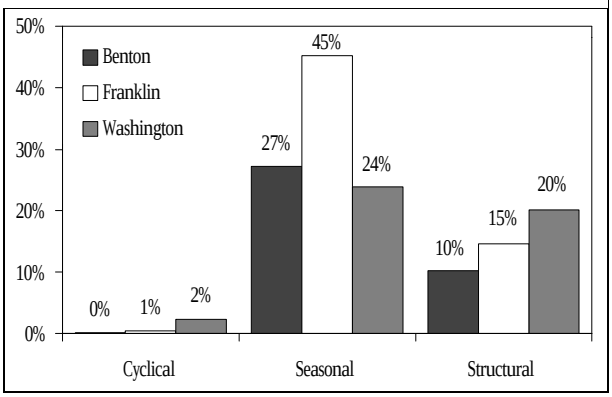
Figure 10
Unemployment Rates
Tri-Cities, Washington, & U.S., 1970-1995
Source: Employment Security Department



Industrial Typology and Unemployment

The characteristics of a labor market's industrial base can reveal much about its tendency toward or away from unemployment. Seasonal, cyclical, and structurally-maturing industries----when substantially present in an industrial base----are known to foster higher than average rates of unemployment *(see Figure 11)*.

Figure 11
Industrial Typology
Tri-Cities & Washington State, 1995
Source: Employment Security Department



Seasonal industries are those whose employment is affected by either weather patterns or usual calendar events. Agriculture is a prime example of a weather-related activity; the timing of virtually all aspects of the agricultural process are dependent upon the weather and the season to a very high degree. Education and trade are examples of activities that have a calendar component; schools have a summer break and trade peaks during the Christmas holidays.

Both Benton and Franklin counties had seasonal employment levels significantly higher than did the state as a whole in 1995. Benton County had seasonal industries representing 27 percent of county employment compared to the 24 percent seasonality rate registered throughout the state. Franklin County, however, had a much greater 45 percent seasonality level among its workers. This higher-than-average reliance on seasonal employment in the Tri-Cities fosters labor market volatility.

Cyclical industries are those sensitive to longer-term fluctuations in consumer spending (otherwise known as the business cycle). Construction is an example of a cyclical industry; when consumer spending is strong, so is new building activity (it is also a seasonal industry, of course, for weather strongly affects productivity). Tri-Cities employment in cyclical industries is well below the statewide average: both counties had less than 1 percent of their employment in these industries while the state had a little more than 2 percent. Economic activity in the region fluctuates more with the level of federal expenditures than with the vagaries of the national business cycle.

Structurally-maturing industries are those that may still be profitable, may still create goods or services that are in demand, but have reached a stage of development where capital can easily be substituted for labor. The long-term outlook for employment in these industries is not favorable. Lumber and wood products is an example; while employment prospects are rather dismal, demand for lumber and wood products is very strong.

Labor markets with higher concentrations of structurally-maturing industries can experience periods of long-term unemployment. Benton County, with 10 percent employment in this category, and Franklin County, at 15 percent, are both below the statewide average of 20 percent.

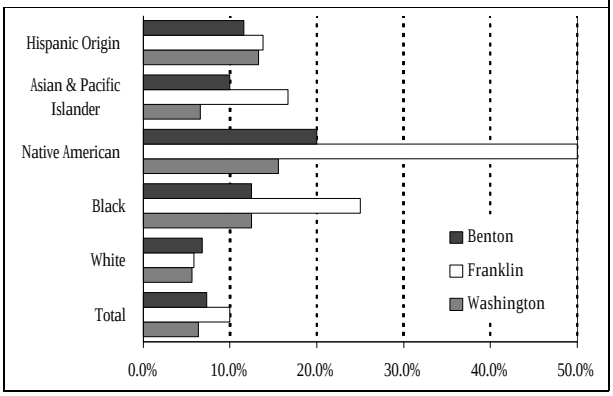
On the whole, Benton County's industrial typology more closely approximates the statewide norm than does Franklin County's. The latter is more heavily dependent upon a resource-based economy.

Unemployment by Race and Sex

There are large differences in unemployment among the various racial groups in the Tri-Cities area. *Figure 12* shows estimates for 1995 for the two counties. The largest racial group, whites, has the lowest unemployment rate in both counties. Those of Hispanic origin, the second largest group, had double-digit unemployment as did all other non-white groups. (The figures for blacks and Native Americans may be suspect because of the small numbers involved.)

Unemployment among women was greater than among men in both counties, contrary to the averages for Washington as a whole where women had a slightly lower unemployment rate than men.

Figure 12
Unemployment by Race/Hispanic Origin
Tri-Cities & Washington State, 1995
Source: Bureau of the Census



Unemployment Insurance Claims

Figure 13 shows the number of unemployment insurance (UI) claims by occupational category in Benton and Franklin counties and Washington, and each category's share of the total number of claims. These figures, covering the period July 1, 1994 through June 30, 1995, show sharp differences between the two counties. While Benton County, to a degree, approximates the statewide figures, Franklin County is quite different. Almost half (45 percent) of the claims in Franklin County stem from either agriculture or processing occupations. These jobs only represent 19 percent of Benton County claims and 12 percent of statewide claims. Benton County has far more claims stemming from professional, technical, and managerial jobs than does Franklin County.

Not surprisingly, the claims in Franklin County point to a resource-based agricultural economy with its attendant high level of unemployment, while the claims from Benton County are more closely aligned with a technically oriented, white-collar type of economy. As a share of the local labor force, Benton County's UI claimants amounted to 12 percent while Franklin County's amounted to 20 percent.

Figure 13
Unemployment Insurance Claimants
Tri-Cities & Washington State, July 1, 1994 - June 30, 1995
Source: Employment Security Department

	Benton		Franklin		Washington State	
	Claimants	Percentage	Claimants	Percentage	Claimants	Percentage
Structural work	1,464	16.3%	418	9.5%	63,681	16.6%
Packing and material handling	477	5.3%	256	5.8%	29,372	7.7%
Agriculture, forestry and fishing	1,097	12.2%	1,322	29.9%	27,875	7.3%
Service	654	7.3%	294	6.7%	40,261	10.5%
Clerical	1,170	13.0%	316	7.2%	49,169	12.8%
Machine trades	270	3.0%	97	2.2%	21,141	5.5%
Professional/technical/managerial	1,331	14.8%	264	6.0%	63,299	16.5%
Motor freight and transportation	291	3.2%	181	4.1%	16,712	4.4%
Miscellaneous, NEC	1,316	14.6%	488	11.0%	23,189	6.1%
Processing	567	6.3%	669	15.1%	17,408	4.5%
Sales	258	2.9%	74	1.7%	19,707	5.1%
Benchwork	95	1.1%	39	0.9%	11,354	3.0%
Total	8,990	100.0%	4,418	100.0%	383,168	100.0%
White-Collar*	3,413	44.5%	948	24.1%	172,436	47.9%
Blue-Collar*	4,261	55.5%	2,982	75.9%	187,543	52.1%

**Miscellaneous/nec occupations excluded*

INDUSTRIES, EMPLOYMENT, AND WAGES

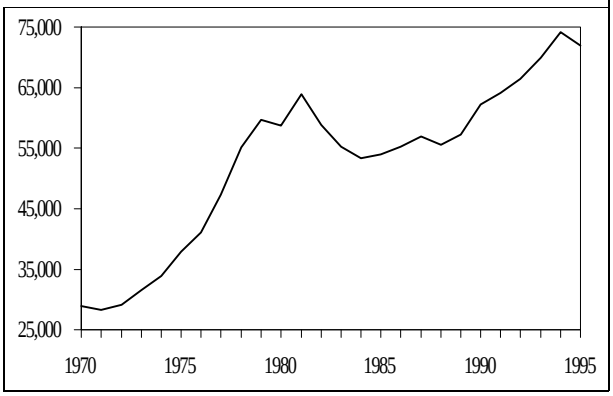
Data in this section are derived through two different Bureau of Labor Statistics programs which are conducted in Washington by the Employment Security Department. The first, called CES (Current Employment Statistics), generates monthly nonagricultural employment figures; the second, the Quarterly Employment and Wages program (ES-202), includes data on both agricultural and nonagricultural employment covered under the state unemployment insurance program. All wage data and agricultural employment data in this section stem from the Employment and Wages program; other employment information comes from the CES program.

Employment Trend

Over the last twenty-five years, nonfarm jobs in the Tri-Cities grew almost 150 percent, going from 28,890 in 1970 to 72,000 in 1995 *(see Figure 14)*. During the same period, Washington State's employment increased by 117 percent. This equates to an average annual growth rate of 3.7 percent in the Tri-Cities compared to 3.2 percent statewide. The bulk of this growth has been associated with Hanford, be it WPPSS construction, nuclear weapons production, or nuclear waste cleanup efforts.

The future, according to projections made by Employment Security Department analysts, will not be as bright *(see Figure 15 on the next page)*. For the 1995-2000 period, an 8.3 percent decline in employment is expected. This equates to a loss of about 5,500 jobs. By sector, the biggest drops will be seen in services, trade, and government. Most Hanford employment is carried in the services sector, and the cutbacks there will spill over into the trade sector. Manufacturing, led by food processing, should have about a 7.4 percent employment increase, which translates to some 410 new jobs. All in all, the area's average annual employment change should be in the vicinity of a minus 1.7 percent until 2000. Statewide, because of the impetus at Boeing and other Puget Sound industries, there should be 2.2 percent growth in employment annually.

Figure 14
Nonagricultural Wage & Salary Employment
Tri-Cities, 1970-1995
Source: Employment Security Department



Location Quotient

When comparing Tri-Cities' shares of industry employment to Washington State's shares, it's apparent that county employment is distributed differently than state employment. The *location quotient* compares the share of total employment in a particular industry division in the Tri-Cities with the share it represents in Washington State. The quotient is determined by dividing the share of state employment into the share of Tri-Cities employment of the same industry or sector. A quotient of 1.0 denotes an industry in which the counties are typical to the state as a whole; a value above 1.0 shows an industry over-represented in the county; and a value below 1.0

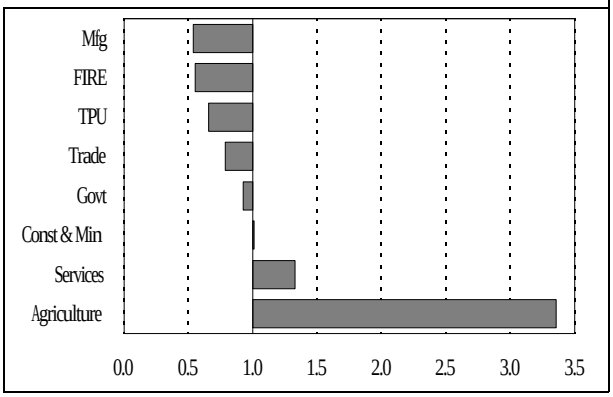
Figure 15
Nonagricultural Employment Projections by Industry
Tri-Cities, 1995 and 2000
Source: Employment Security Department

	1995	2000	Percent Change	Number Change	Annual Average
Total	66,690	61,140	-8.3%	-5,550	-1.7%
Contract Construction	3,380	3,050	-9.8%	-330	-2.0%
Manufacturing	5,560	5,970	7.4%	410	1.5%
Food & Kindred Products	2,930	3,280	11.9%	350	2.4%
Printing & Publishing	440	400	-9.1%	-40	-1.8%
Chemicals & Allied Products	1,020	1,140	11.8%	120	2.4%
Primary & Fabricated Metal	410	400	-2.4%	-10	-0.5%
Other Manufacturing	760	750	-1.3%	-10	-0.3%
TPU	2,190	2,130	-2.7%	-60	-0.5%
Trade	14,830	13,600	-8.3%	-1,230	-1.7%
FIRE	2,100	1,730	-17.6%	-370	-3.5%
Services	25,730	22,460	-12.7%	-3,270	-2.5%
Business Services	2,510	2,140	-14.7%	-370	-2.9%
Research Services	13,770	11,690	-15.1%	-2,080	-3.0%
Government	12,900	12,200	-5.4%	-700	-1.1%

marks an industry with less than average employment in the county.

A quotient of 1.25 or higher often suggests that the good or service produced by an industry is exported from the area; a quotient 0.75 or below is a sign that Tri-Cities residents may have to leave the area to obtain the good or service. The major industry sectors shown in *Figure 16* indicate that the agricultural sectors in both counties are major exporters of goods and are significantly different from the state as a whole. On the other hand, Tri-Cities residents probably have to go outside the area for their needs relating to finance and insurance, as well as trade. Manufacturing's quotient is also well below the 1.0 mark. Services, for both counties, are above the norm, particularly in Benton County where employment in research activities is extremely high. Both the government and construction quotients are not far off from 1.0, indicating parity with the state.

Figure 16
Major Industry Location Quotients
Tri-Cities, 1995
Source: Employment Security Department



Annual Average Wage

The annual average wage is derived by dividing the total wages paid in an area by the annual average employment in that area. Jobs not covered by the unemployment insurance program are excluded; however, approximately 90 percent of all employment in the state is covered under the program. (*Note: all amounts here have been inflation adjusted to 1995 dollars.*) The

average wage does not include any benefits (e.g., insurance or retirement plans) other than actual wages.

Looking at *Figure 17*, which displays the average wage in the Tri-Cities and in Washington, a large gap between the averages for Benton and Franklin counties is obvious. Washington State's average falls between the two. The high concentration of relatively well-paying jobs at Hanford in Benton County is a primary reason for this. Franklin County, with about three-fourths of its covered employment in the relatively low-paying agriculture, trade, and services industries, lagged Benton County by $9,365 and the state by $7,026 in 1995. The averages that year were: Benton County, $29,785; Franklin County, $20,420; and Washington, $27,446.

The trend, though, shows that the two counties track in tandem even though there is a substantial gap between the two. The 1980s saw a continuous decline in the real average wage for both. The decreases bottomed out in 1990 and the averages have been moving upward since. The 1994-1995 increase was quite small, though.

Figure 17
Annual Average Covered Wage
Tri-Cities & Washington State, 1970-1995
Source: Employment Security Department

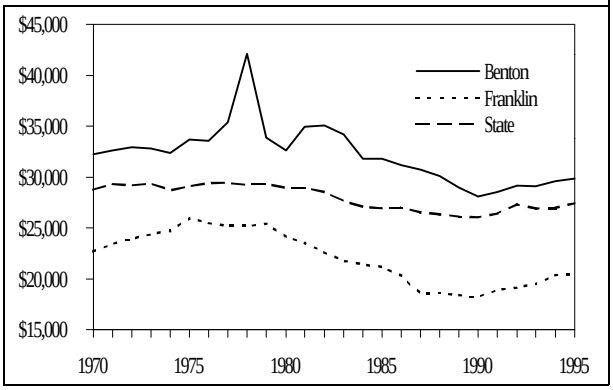


Figure 18 shows the 1995 average wages for the two counties and the state by major industry sector and by specific industries within those sectors. (Because of confidentiality requirements, some data are suppressed.)

Figure 18
Annual Average Covered Wages, 1995
Tri-Cities & Washington State
Source: Employment Security Department

	Benton	Franklin	Washington
Total	$29,785	$20,420	$27,446
Agriculture	$12,031	$11,267	$14,532
Agricultural Production-Crops	$11,954	$10,804	$10,962
Agricultural Services	$11,964	*	$15,667
Construction	$30,783	$28,754	$29,563
General Building Contractors	$22,231	$16,811	$28,325
Heavy Construction, Ex. Building	$43,717	$27,653	$37,323
Special Trade Contractors	$28,007	$30,403	$28,174
Manufacturing	$31,890	$26,811	$37,454
Food & Kindred Products	$25,787	$26,774	$28,256
Printing & Publishing	$18,352	$19,811	$45,520
Instruments & Related Products	$32,587	*	$49,642
TPU	$38,967	$26,286	$34,913
Local & Interurban Passenger Transit	$12,590	*	$16,616
Trucking & Warehousing	$23,903	$26,254	$26,341
Transportation Services	$19,564	*	$27,346
Communication	$28,547	$26,480	$46,070
Electric, Gas, & Sanitary Services	$54,597	$29,744	$43,396
Trade	$15,276	$20,265	$19,834
Wholesale Trade	$31,336	$26,782	$33,126
Durable Goods	$30,582	$26,542	$35,700
Nondurable Goods	$32,051	$27,077	$30,034
Retail Trade	$13,065	$16,136	$15,546
Building Materials & Garden Supplies	$19,030	$17,436	$21,397
General Merchandise Stores	$15,674	$11,047	$17,611
Food Stores	$15,320	$14,918	$17,636
Automotive Dealers & Service Stations	$21,835	$27,994	$25,238
Apparel & Accessory Stores	$9,956	$8,892	$17,492
Furniture & Homefurnishings Stores	$16,076	$14,684	$20,994
Eating & Drinking Places	$8,334	$8,344	$9,673
Miscellaneous Retail	$13,318	$12,939	$15,307
FIRE	$20,961	*	$32,142
Depository Institutions	$23,223	*	$29,624
Insurance Carriers	$30,517	*	$37,889
Insurance Agents, Brokers, & Services	$24,655	*	$34,561
Real Estate	$12,580	*	$19,795
Services	$37,883	$20,049	$25,796
Hotels & Other Lodging Places	$10,290	$10,117	$13,544
Personal Services	$12,495	$11,125	$14,313
Business Services	$28,134	$25,423	$34,608
Auto Repair, Services, & Parking	$15,644	$18,484	$21,062
Miscellaneous Repair Services	$18,481	$24,844	$24,799
Amusement & Recreation Services	$9,102	$9,715	$16,075
Health Services	$25,048	$25,352	$27,320
Legal Services	$20,313	$22,591	$35,252
Educational Services	$27,757	$19,261	$22,993
Social Services	$13,591	$12,005	$14,216
Membership Organizations	$13,459	$17,815	$18,215
Engineering & Management Services	$48,750	$17,048	$39,776
Private Households	$7,023	$6,651	$8,641
Government	$35,315	$27,133	$30,844
Federal	$51,199	$38,030	$37,084
State	$27,982	$27,647	$31,298
Local	$34,334	$24,568	$28,852

** Data suppressed due to confidentiality.*

Agriculture

Agriculture is an immensely important segment of the Tri-Cities economy. It employs many workers and generates a large payroll. The number of jobs in the sector has been growing every year and totaled almost 10,000 in 1995. Employment is close to equal between the two counties: Benton with 52 percent and Franklin with 48 percent. Of these, about 8,400 were involved in crop production with the remainder engaged in rearing livestock or providing agricultural services.

Major agricultural employment sectors include fruits, field crops, vegetables and cash grains. The fruit sector employed about 4,200 workers with a payroll of roughly $37 million in 1995. This category includes grapes grown for wine and other purposes, along with the operation of apple, cherry, and other deciduous orchards. Field crops in 1995 consisted of 1,626 jobs with a payroll of $23 million; plantings are dominated by potatoes, also an extremely important component of the local potato processing industry. Asparagus farming, a huge activity in the vegetables category, is a very important industry in the region; the area is the largest producer of asparagus in the state. Employment in vegetables totaled 1,031 with a payroll of nearly $10 million. Of the cash grain crops, wheat production is predominant.

The majority of the jobs found locally in agriculture are highly seasonal and often involve the import of migrant farm workers.

Although the agricultural sector is a primary industry in the Tri-Cities, its large work force, on average, is paid the least of all major industry sectors. The average annual wage for agricultural workers in 1995 was $12,031 in Benton County and $11,267 in Franklin County. (Significant amounts of part-time work in the industry drive the average down: the figure does not necessarily represent the yearly wage of a full-time worker.)

Construction

Figures 19 and 20 show construction employment in the Tri-Cities since 1970. The first chart shows the actual numbers, while the second chart indexes employment to 1970=100 and compares the counties to the state. The large balloon in construction jobs that began in 1971 and ran through 1984 was caused by the huge WPPSS construction program. At the peak in 1981, there were 13,550 construction jobs, or 21 percent of all nonfarm jobs in the area. Since then, the growth rate leveled off, dipped beneath the statewide growth rate for a while, then again started outpacing the state. The 1994-95 period showed a drop of 400 workers, bringing down the total to 4,200 in 1995. Partial numbers for 1996 point to another year of decline in construction. The slump in construction is associated with the softness of the region's economy prompted by a slowdown in federal

Figure 19
Construction Employment
Tri-Cities, 1970-1995
Source: Employment Security Department

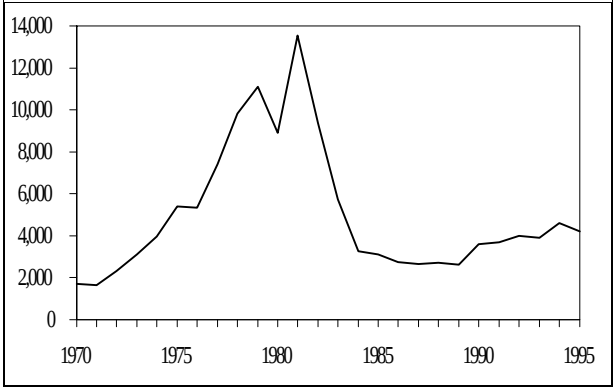
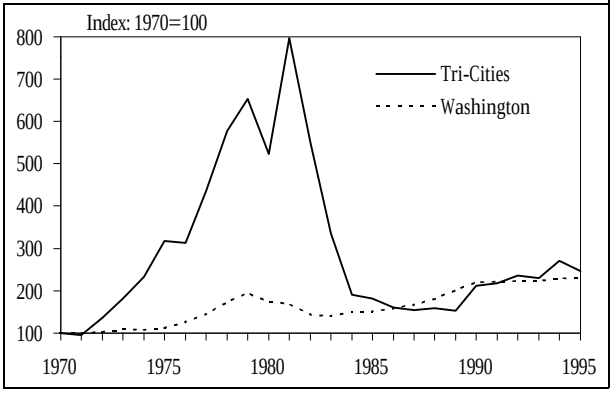


Figure 20
Construction Employment
Tri-Cities & Washington, 1970-1995
Source: Employment Security Department



Department of Energy dollars for Hanford. Construction is extremely sensitive to economic fluctuations and is usually among the first to react to change.

Wages in construction are relatively high, and the annual averages for the Tri-Cities (Benton County, $30,783; Franklin County, $28,754) compares well with Washington as a whole ($29,563). The two counties have a higher share of employment in heavy construction than does the state, which explains the higher wage: heavy construction is the highest-paid type of construction.

General building contractors, primarily employed at residential construction, account for about 17 percent of the Tri-Cities' construction employment. Twenty-six percent of the sector is involved in heavy construction (statewide, the figure is 15 percent), and 57 percent are special trades contractors (this industry includes electricians, plumbers, carpenters, etc.).

Manufacturing

The two charts displaying manufacturing employment since 1970 *(Figures 21 and 22)* are misleading because the sharp decline from 1990 to 1991 was not a real change in employment. At that time, most research activity associated with Hanford was reclassified out of manufacturing and into services. (The services sector shows the reciprocal increase in employment at the same time.)

With that in mind, employment grew strongly in the manufacturing sector throughout most of the period shown. There was a slowdown or decline in the early-1970s (a national recession), in 1980, and (following the reclassification of research activity) in 1992-93. There were slight increases in both 1994 and 1995. In 1995, manufacturing accounted for 8 percent of all nonfarm employment (statewide, the share is 14 percent). That equates to about 5,700 manufacturing jobs in the Tri-Cities.

Since 1991, the dominant industry in the manufacturing sector has been food processing. It accounts for about 60 percent of all manufacturing employment. Hand-in-hand with agriculture, the region's growing food processing industry is one of the largest in the state. Of particular significance, the 1995 Tri-Cities share of statewide food processing employment was quite large in certain categories. Twenty-seven percent of canned fruits and vegetables workers, 36 percent of frozen fruits and vegetables workers, and 36 percent of winery workers were employed in the Tri-Cities.

The total Tri-Cities food processing industry in 1995 employed 3,655 and had a payroll of $95 million, paid out by 37 employers. Major employers include Welch Foods, Twin City Foods, Ste. Michelle Vintners, Seneca Foods, Preston Wine Cellars, Lamb-Weston, and others. While the local industry is dominated by the large food processor, many of the local food processors are small specialty firms or smaller vintners.

Other manufacturing industries with substantial amounts of employment were chemicals and allied products, printing and publishing, primary metals, and instruments.

Figure 21
Manufacturing Employment
Tri-Cities, 1970-1995
Source: Employment Security Department

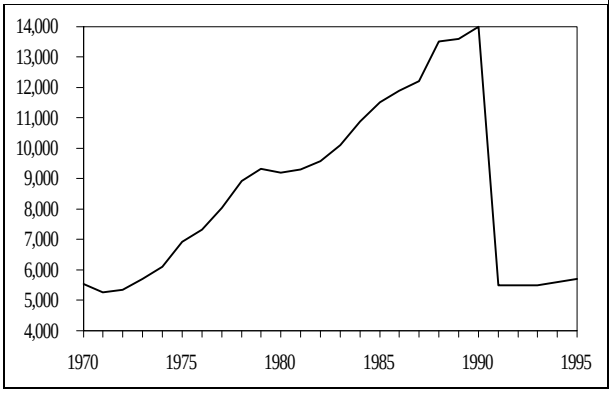
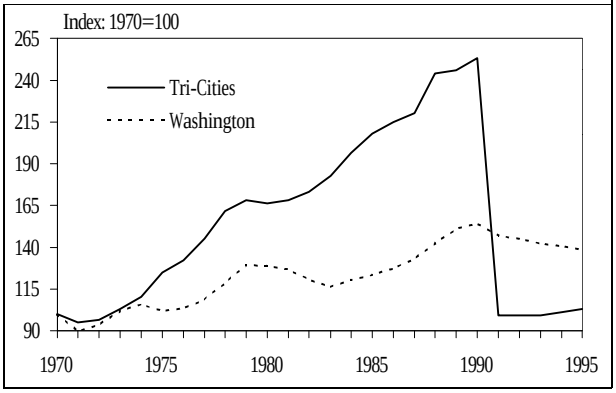


Figure 22
Manufacturing Employment
Tri-Cities & Washington State, 1970-1995
Source: Employment Security Department



Overall, the 1995 average wage in manufacturing was $31,890 in Benton County and $26,811 in Franklin County. Food processing paid a little less but the sector's average was pushed up by relatively high wages in chemicals, primary metals, and instruments.

Transportation and Public Utilities (TPU)

Industries in the TPU sector range from trucking and warehousing to gas and electric utilities. Overall employment growth in the sector has been weak compared to other sectors. Since 1970, the number of jobs increased by only 26 percent, going from 1,820 to 2,300 *(see Figure 23 on the next page)*. Employment growth in the sector paralleled that of the state fairly closely until the "double-dip" recessions of the early-1980s *(see Figure 24 on the next page)*. After those declines, growth resumed statewide but not in the Tri-Cities----it was not until the late-1980s that jobs started increasing again, and then the 1990-91 national recession stopped that increase. Growth resumed again in 1993 and 1994, posting moderate gains (about 100 each year), but it flattened in 1995. The TPU sector accounts for about 3 percent of nonfarm employment.

TPU employment is distributed differently in the Tri-Cities than it is throughout the state. The majority of covered employment in the sector is in the electric, gas, and sanitary service industry (56 percent) compared to 9 percent statewide. (Some of the clean-up effort at Hanford is classified in this industry, which accounts for the skewed employment distribution). Trucking and warehousing was the second largest industry in the sector with 13 percent of covered employment.

Average wages in the sector are higher than the sector's statewide average, primarily because of the relatively high wages paid to the clean-up workers. TPU's 1995 average was $38,967 in Benton County, considerably higher than the statewide ($34,913), and $26,286 in Franklin County.

Figure 23
Transportation & Public Utilities Employment
Tri-Cities, 1970-1995
Source: Employment Security Department

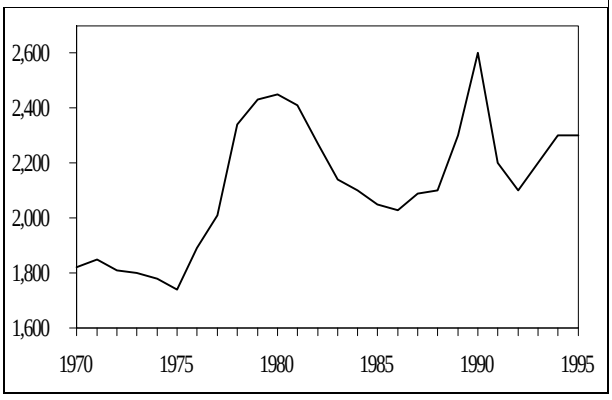
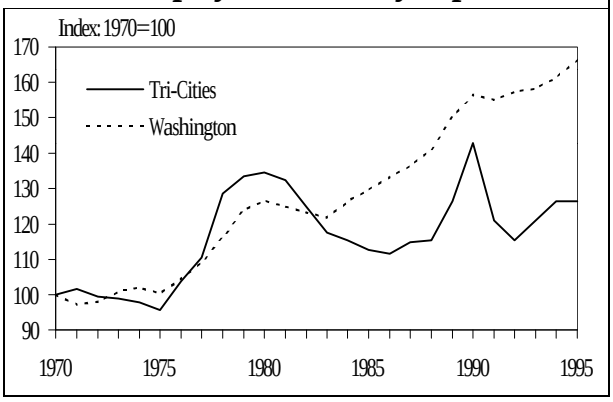


Figure 24
Transportation & Public Utilities Employment
Tri-Cities & Washington State, 1970-1995
Source: Employment Security Department



Trade

Overall, trade employment in the Tri-Cities has grown rapidly since 1970 with the number of jobs expanding from 5,570 to 15,600 in 1995, a 180 percent increase (the increase was 142 percent, statewide). In 1995, the sector had a 22 percent share of all nonfarm jobs, making it, after services, the second largest sector in the area. *Figure 25* shows how employment ballooned during the 1970s, declined when WPPSS construction terminated and the nation had back-to-back recessions during the early-1980s. Following that, growth has generally been healthy, and both 1993 and 1994 had double-digit expansions (11 and 18 percent). The 1994-95 increase fell to 5 percent as the economy softened in the face of cutbacks at Hanford.

Trade employs many workers. However, in a sense that is unfortunate as it has the second lowest average wage of all the area's major sectors (only agriculture's wage is lower). In 1995, trade paid an average wage of $16,629 per worker. However, like agriculture, trade has significant amounts of part-time work which brings down the annual average. Even so, the wage was only 84 percent of the statewide average.

Trade has two major subdivisions: wholesale and retail. In general, retail has more workers and wholesale has higher wages. This holds true in the Tri-Cities. Retail employed 81 percent of trade workers and paid them an average of $13,697; wholesale employed the other 19 percent and paid them an average of $28,859. There is a distinct difference between Benton and Franklin counties, though. Franklin County has a much higher percentage of workers in wholesale than does Benton County (in fact, the actual number of workers is greater) and, consequently, the average wage for all of trade is considerably higher in Franklin County: $20,265 as opposed to $15,276 in Benton County.

The largest industry in trade, and the one with the lowest wage, is eating and drinking places. Restaurants and bars accounted for 30 percent of all trade employment: the approximately 4,500 workers were paid an average of $8,336 in 1995. Other large industries were food stores, general merchandise stores, and auto dealers and service stations.

Figure 25
Trade Employment
Tri-Cities, 1970-1995
Source: Employment Security Department

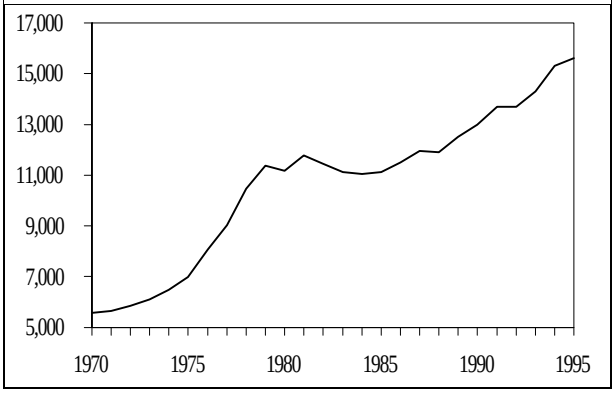
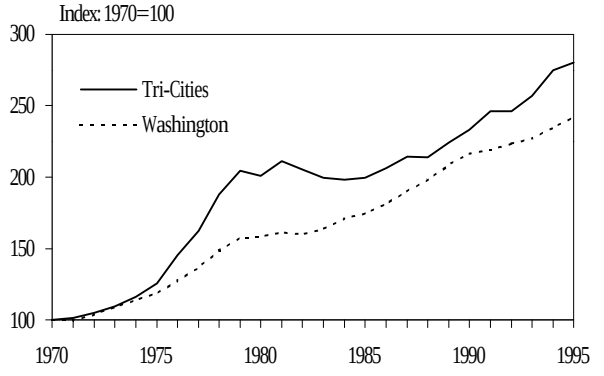


Figure 26
Trade Employment
Tri-Cities & Washington State, 1970-1995
Source: Employment Security Department



Finance, Insurance, and Real Estate (FIRE)

Growth in the FIRE sector has generally outpaced statewide growth. Going from 680 workers in 1970 to 2,300 in 1995, FIRE amassed growth of 238 percent compared to Washington's 108 percent. As the charts show *(see Figures 27 and 28)*, growth was strong during the 1970s, flat in the 1980s, and strong again so far in the 1990s. The strong industries behind the growth in the 1990s have been depository institutions (banks, savings and loans, credit unions, etc.) and real estate. Although employment slumped in banking in 1995, real estate growth continued unabated.

Of the total covered employment in the sector, some 43 percent was in financial institutions, 23 percent in insurance, and 32 percent in real estate. The average wage for the sector was $20,359: finance averaged $25,395; insurance, $26,207; and real estate, $12,200 (real estate generally involves much part-time work).

Figure 27
Finance, Insurance, Real Estate Employment
Tri-Cities, 1970-1995
Source: Employment Security Department

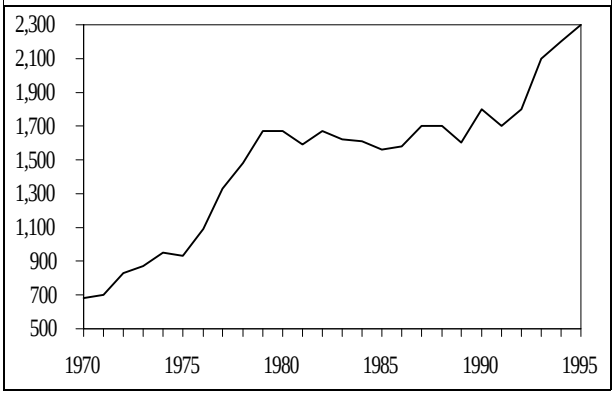
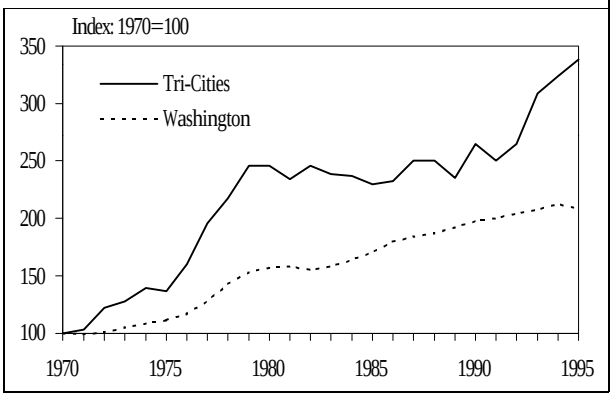


Figure 28
Finance, Insurance, Real Estate Employment
Tri-Cities & Washington State, 1970-1995
Source: Employment Security Department



Services

The size of the services sector in the Tri-Cities dwarfs all others. It has a 39 percent share of all nonfarm employment, which equates to 28,300 jobs. By way of contrast, the services sector in Washington State is also the largest sector, but has only a 26 percent share of jobs. *Figure 29* on the next page tracks the 248 percent growth since 1970 when the sector had 8,140 workers. *Figure 30* shows employment indexed to 1970=100 and compares its growth rate with the state's. (The most salient feature of both charts, of course, is the large increase from 1990 to 1991, which was only a paper transfer of Hanford activities from manufacturing to services.)

Prior to that 1991 change, growth in the services sector had pretty well matched statewide growth until the recessionary early-1980s when growth slumped. After the recessions, growth picked up statewide but not in the Tri-Cities. In general, the national and regional economic boom of the mid-through late-1980s did not occur in eastern Washington whose economies faltered throughout most of that period. The transfer of the huge Hanford activities into the services sector in 1991 masks the fact that the sector was then beginning to grow again of its own accord. As *Figure 30* on the next page shows, the growth rate after the transfer of Hanford activities continued to surpass the statewide growth until 1995, when Hanford started cutting back.

The Department of Energy activity at its Hanford site is a colossal effort, fueled by federal dollars, that began during World War II and has continued to this day. The Hanford site is located near Richland in Benton County. In 1989, with the end of the Cold War and heightened concerns about nuclear energy following the Chernobyl

Figure 29
Services Employment
Tri-Cities, 1970-1995
Source: Employment Security Department

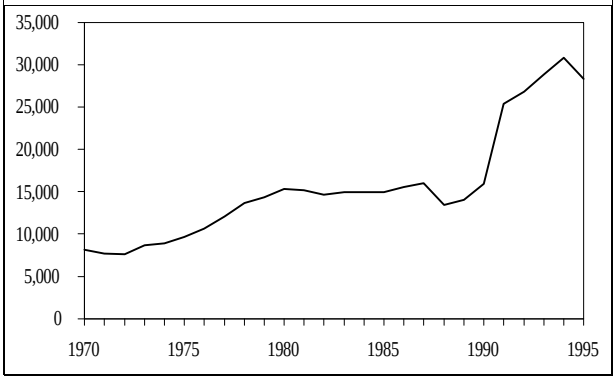
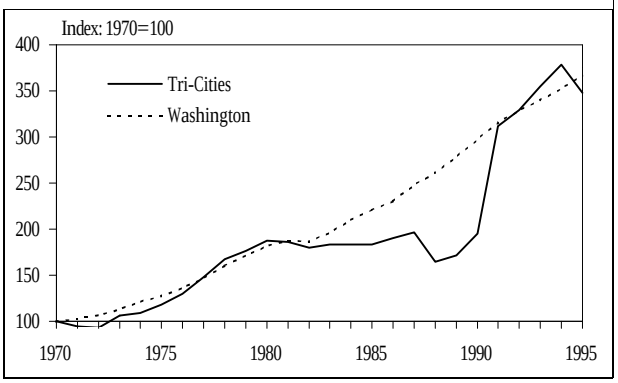


Figure 30
Services Employment
Tri-Cities & Washington State, 1970-1995
Source: Employment Security Department



disaster, the main thrust of the mission at Hanford shifted from producing plutonium to cleaning up the forty-five years worth of accumulated nuclear waste.

Most of the work done at Hanford, research as well as cleanup, is contracted out. Some of the major players are the Pacific Northwest National Laboratory, the Battelle Memorial Institute, Bechtel Hanford Inc., and Kaiser Engineers. Most recently, a team of firms headed by Fluor Daniel Hanford Inc. replaced Westinghouse Hanford Co. in running the Hanford reservation and cleanup effort.

It would be difficult to overestimate the importance of Hanford to the area's economy. To give an idea of the magnitude, consider that aircraft manufacturing (Boeing) accounts for 7 percent of nonfarm employment in the Seattle-Bellevue-Everett PMSA (King, Snohomish, and Island counties); Hanford accounts for *21 percent* of nonfarm employment in the Richland-Kennewick-Pasco MSA (Benton and Franklin counties). With so many eggs in the Hanford basket, the area's economy is profoundly influenced by changes there, whether positive or negative.

From the perspective of employment, the current situation is not good: budget cutting at the Department of Energy has led to reductions at Hanford. Its 1995 budget totaled $1.89 billion; but for 1996 it is projected to drop to $1.70 billion. This $19 million decrease in funding is causing sharp decreases in employment. In 1994, total employment at Hanford was 19,176; this fell by 3,932 to 15,244 in 1995; and is projected to drop by another 1,146 in 1996, bringing the total down to 14,098. Further cuts are probably in store.

The services sector, primarily because of Hanford, enjoys a relatively high average wage: $33,517 in 1995. More specifically, the engineering and management services industry, where most Hanford employment resides, employed over 14,000 workers with an average wage of $48,479.

There are other important industries in the services sector. Health care, which includes employment at hospitals, nursing care facilities, the offices of physicians and dentists, etc., had close to 5,000 workers. The average wage in the industry was $25,142. Business services also employed a fairly large number of workers with the two largest industries being data processing and temporary help agencies. In all, business services employed about 2,400 workers who averaged $27,568 in wages.

Government

The government sector in the Tri-Cities has the same share size as it does throughout the state: 19 percent of nonfarm jobs. However, the size of the sector grew much more rapidly in the Tri-Cities than it did throughout the state over the last twenty-five years, posting a 150 percent increase while the statewide growth was only 82 percent. In actual numbers, employment grew from 5,450 to 13,600. *Figures 31 and 32* on the next page show the increase in numbers and the growth rates since 1970.

The distribution of employment within government differs somewhat from the statewide distribution. There

is, surprisingly, a smaller federal presence in the Tri-Cities. While Hanford employs a fair number of federal workers, there are no sizable military installations with large numbers of employees in the area. There is a smaller share of state government employment in the Tri-Cities, but a significantly larger local government work force. Local government's size is boosted by employment in the WPPSS electric energy generating facility. The largest portion of local government employment, though, is devoted to K-12 education.

The overall average wage for government is higher in the Tri-Cities than it is in Washington: $33,109 versus $30,844. This is driven primarily by the higher than average wages among the Department of Energy employees and the WPPSS workers, whose numbers contain a large number of engineers and other professionals working on the various nuclear-associated projects in the area.

Figure 31
Government Employment
Tri-Cities, 1970-1995
Source: Employment Security Department

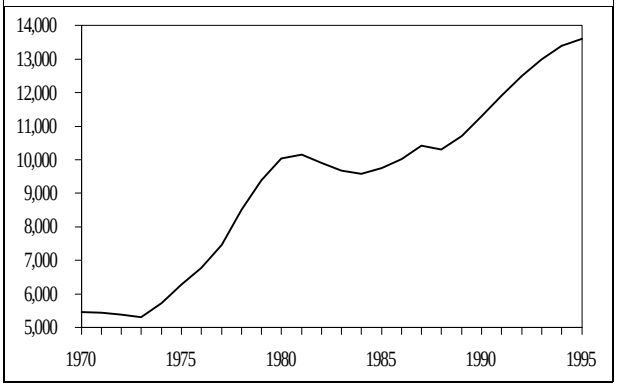
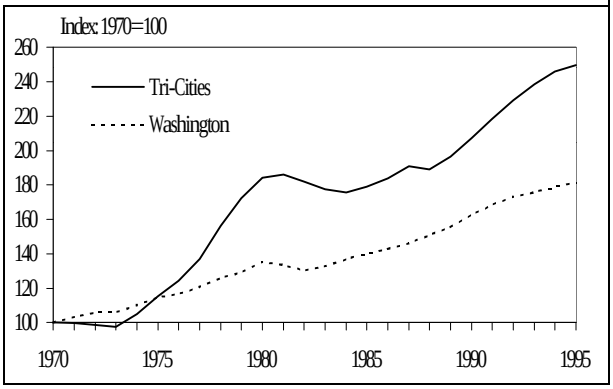


Figure 32
Goverment Employment
Tri-Cities & Washington State, 1970-1995
Source: Employment Security Department



OCCUPATIONAL PROFILE

Looking at employment in terms of occupation rather than industry gives a different perspective of the labor market picture. *Figure 33* shows occupational employment in the Tri-Cities for 1995 and projections for 2005. The largest number of jobs in the area is in the professional and technical category; there were almost 21,000 workers in these jobs that include many of the professions at Hanford. The category's share of all jobs, 25 percent, is greater than the percentage found statewide, which was 22 percent. The Tri-Cities have only 2.2 percent of all jobs in the state, but that share includes: 7.4 percent of all engineers; 16.2 percent of all physical scientists; 5.0 percent of life scientists; 11.0 percent of all natural scientists; and 3.3 percent of all computer/mathematical occupations. Specific occupations can be even more skewed: the Tri-Cities employ one-third of all chemical engineers and 28 percent of all nuclear engineers; 65 percent of all nuclear technicians; 16 percent of all statisticians; etc. This concentration of relatively high-paid jobs is, of course, directly related to the Hanford nuclear works and the ag-chemical industry.

Clerical and administrative support positions are the next largest category: their almost 11,000 jobs equate to 13 percent of the total. Services jobs are almost the same, also with 13 percent. Operators, fabricators, and laborers make up 11 percent of all jobs, as do agricultural occupations. This is the largest difference between the Tri-Cities and the state: only 4 percent of all jobs statewide are in agriculture, forestry, or fishing. The two counties have smaller shares than does the state of precision production, craft, and repair jobs and of marketing and sales jobs. However, managerial and administrative jobs, the smallest category with 8 percent of the total, is slightly larger than the statewide figure of 7 percent.

If the occupations are (rather roughly) divided into blue- and white-collar jobs, the share sizes are approximately the same as found throughout the state, differing by only a percentage point.

The Employment Security Department's 2005 projections show virtually no overall growth with the total number of jobs increasing by only 277. However, there are differences among the various categories of jobs. Operators, fabricators, and laborers will have the highest growth rate (6 percent), adding more than 500 jobs. Professional and technical jobs are next and will grow by a lesser 4 percent, but that equates to 860 jobs in this large category. Declining groups will be clerical and administrative support jobs and agricultural jobs. Together, they are projected to lose over 1,800 jobs over the next ten years.

Figure 33
Occupational Employment and Projections
Tri-Cities and Washington State, 1995 and 2005
Source: Employment Security Department

	Tri-Cities						Washington	
	1995		2005		% Chg	Jobs	1995	2005
Total	83,092	100.0%	83,369	100.0%	0.3%	277	100.0%	100.0%
Professional, Paraprof., & Tech	20,960	25.2%	21,820	26.2%	4.1%	860	21.6%	23.2%
Clerical & Admin. Support	10,959	13.2%	9,747	11.7%	-11.1%	-1,212	16.0%	15.2%
Services	10,644	12.8%	10,986	13.2%	3.2%	342	15.7%	16.8%
Operators, Fabricators, & Laborers	9,137	11.0%	9,674	11.6%	5.9%	537	12.2%	11.5%
Ag., Forestry, Fishing & Related	8,841	10.6%	8,214	9.9%	-7.1%	-627	4.3%	3.7%
Prec. Production, Craft, & Repair	8,798	10.6%	8,870	10.6%	0.8%	72	11.6%	10.9%
Marketing & Sales	7,417	8.9%	7,525	9.0%	1.5%	108	11.4%	11.4%
Managerial & Administrative	6,336	7.6%	6,533	7.8%	3.1%	197	7.1%	7.3%
White-Collar	60,541	72.9%	60,441	72.5%	-0.2%	-100	71.9%	73.8%
Blue-Collar	22,551	27.1%	22,928	27.5%	1.7%	377	28.1%	26.2%

Figure 34 is a listing of Tri-Cities' occupations along with the mean, maximum, and minimum wages. The data were drawn from Occupational Employment Surveys conducted by the Employment Security Department in 1995. The wages are either hourly or monthly.

Figure 34
Occupational Wages, 1995
Tri-Cities (TYPE: M/H denotes monthly/hourly pay rate)
Source: Employment Security Department

TITLE	TYPE	MEAN	MIN	MAX	TITLE	TYPE	MEAN	MIN	MAX
Accountant	M	$3,043.00	$1,700.00	$5,562.00	Janitor/Porter/Cleaner	H	$8.93	$4.90	$13.75
Accounting Clerk I	M	$1,649.00	$1,130.00	$4,322.00	Kitchen Helper	H	$6.64	$4.90	$8.14
Accounting Clerk II	M	$1,768.00	$1,217.00	$2,630.00	Laborer, Construction	H	$11.20	$6.00	$19.29
Accounting Clerk III	M	$1,980.00	$1,564.00	$2,628.00	Laborer, Material Handling	H	$9.64	$5.50	$17.22
Administrative Clerk	M	$1,752.00	$999.00	$2,967.00	Laundry Worker	H	$6.20	$4.90	$9.76
Appliance Repairer	H	$12.24	$5.75	$20.59	Maid, Hotel/Motel	H	$5.07	$5.00	$5.10
Auditor	M	$2,875.00	$1,276.00	$3,542.00	Maintenance Mechanic	H	$14.38	$5.50	$27.73
Automobile Accessories Installer	H	$8.98	$6.00	$14.00	Maintenance Repairer, Gen Utility	H	$10.94	$5.25	$18.72
Baker	H	$9.68	$5.25	$14.67	Manager, Branch/Local	M	$3,158.00	$1,220.00	$8,240.00
Bartender	H	$6.10	$5.50	$8.50	Manager, Office	M	$2,428.00	$1,043.00	$6,000.00
Bookkeeper, Full Charge	M	$1,891.00	$1,130.00	$2,781.00	Manager, Plant (Manufacturing)	M	$3,101.00	$2,433.00	$4,441.00
Buyer/Purchasing Agent	M	$3,070.00	$1,401.00	$4,500.00	Manager, Restaurant	M	$1,815.00	$1,217.00	$3,179.00
Carpenter, Construction	H	$16.54	$8.50	$25.65	Manager, Store	M	$2,167.00	$921.00	$4,461.00
Carpenter, Maintenance	H	$15.24	$6.00	$20.81	Mechanic, Motor Vehicle	H	$13.98	$6.50	$21.00
Cashier	H	$6.32	$5.00	$12.94	Medical Technician	M	$2,228.00	$1,639.00	$3,476.00
Chef	M	$1,827.00	$1,477.00	$2,499.00	Medical Technologist	M	$2,796.00	$2,564.00	$3,396.00
Clean-Up Worker	H	$7.51	$5.00	$11.50	Medical Transcriber	M	$1,761.00	$1,130.00	$2,433.00
Computer Operator	M	$1,864.00	$1,564.00	$2,736.00	Messenger/Mail Clerk	M	$1,366.00	$1,217.00	$2,033.00
Computer Programmer, Senior	M	$4,339.00	$2,673.00	$6,952.00	Nurse, L.P.N.	H	$13.00	$10.31	$14.50
Cook, Dinner	H	$7.42	$5.75	$10.34	Nurse, Registered	M	$3,379.00	$2,086.00	$3,843.00
Cook, Short Order	H	$7.50	$5.75	$9.75	Order Clerk	M	$1,936.00	$1,564.00	$2,600.00
Customer Service Clerk	H	$8.06	$5.20	$14.76	Painter, Construction	H	$16.77	$16.00	$19.35
Data Entry Operator I	M	$1,747.00	$956.00	$2,405.00	Painter, Maintenance	H	$15.58	$5.00	$21.02
Data Entry Operator II	M	$1,747.00	$956.00	$2,405.00	Payroll Clerk	M	$1,955.00	$1,043.00	$2,967.00
Data Entry Operator III	M	$2,211.00	$1,799.00	$2,748.00	Pharmacist Assistant	H	$11.34	$10.24	$13.00
Delivery Driver/Route Worker	H	$8.14	$4.90	$18.00	Pharmacist, Registered	M	$4,477.00	$4,084.00	$4,715.00
Dental Assistant	H	$11.17	$7.50	$13.65	Programmer, Computer	M	$2,836.00	$1,839.00	$4,642.00
Desk Clerk	H	$5.59	$5.25	$6.00	Programmer/Analyst	M	$3,471.00	$2,299.00	$4,335.00
Dining Room Attendant	H	$5.23	$4.90	$5.75	Purchasing Clerk	M	$1,900.00	$1,297.00	$2,967.00
Dispatcher, Motor Transportation	H	$12.16	$6.60	$18.26	Receptionist	M	$1,451.00	$1,043.00	$2,317.00
Drafter I	M	$2,491.00	$1,950.00	$3,584.00	Sales Clerk	H	$6.39	$4.90	$11.51
Drafter II	M	$2,491.00	$1,950.00	$3,584.00	Sales Representative/Agent	M	$2,565.00	$1,500.00	$4,740.00
Drafter III	M	$2,491.00	$1,950.00	$3,584.00	Salesperson, Auto Parts	H	$9.11	$5.50	$12.50
Electrician, Construction	H	$18.59	$12.00	$21.15	Salesperson, Parts, Other	H	$8.37	$7.50	$12.50
Electrician, Maintenance	H	$19.41	$12.53	$27.70	Salesperson, Specialty	H	$11.61	$5.50	$23.01
Engineer, Mechanical	M	$3,521.00	$2,916.00	$3,824.00	Secretary I	M	$1,567.00	$852.00	$2,843.00
Engineer, Other	M	$4,899.00	$2,835.00	$6,100.00	Secretary II	M	$1,929.00	$1,476.00	$2,609.00
Engineer, Software	M	$3,303.00	$2,367.00	$3,876.00	Secretary III	M	$2,226.00	$852.00	$2,956.00
Engineering Technician II	M	$3,314.00	$2,637.00	$3,655.00	Secretary, Executive	M	$2,425.00	$1,147.00	$4,222.00
Engineering Technician III	M	$3,314.00	$2,637.00	$3,655.00	Service Representative	H	$9.81	$5.48	$17.18
Estimator	M	$3,698.00	$2,000.00	$4,595.00	Sheet Metal Worker	H	$21.86	$9.00	$26.00
Fast-Food Worker	H	$5.53	$4.90	$6.16	Shipper/Receiver	H	$9.45	$5.25	$18.42
Field Contractor	M	$2,600.00	$1,667.00	$3,817.00	Stock Clerk/Storekeeper	H	$8.25	$5.00	$13.00
File Clerk	M	$1,177.00	$853.00	$1,627.00	Supervisor, Clerical	M	$3,585.00	$1,780.00	$4,847.00
Food Service Worker	H	$8.10	$6.82	$9.86	Supervisor, Food Service	M	$1,952.00	$1,540.00	$3,287.00
Forklift Operator	H	$11.46	$7.25	$16.15	Supervisor, Other First Line	M	$3,676.00	$1,043.00	$7,100.00
Gardener/Groundskeeper	H	$9.32	$5.25	$17.37	Switchboard Operator	M	$1,479.00	$912.00	$1,967.00
Gen Office Worker (1 Per Office)	M	$1,455.00	$869.00	$2,607.00	Switchboard Operator/Receptionist	M	$1,496.00	$991.00	$2,431.00
General Office Clerk I	M	$1,373.00	$869.00	$3,994.00	Teller, General	H	$8.25	$6.90	$8.83
General Office Clerk II	M	$1,622.00	$1,170.00	$2,463.00	Teller, New Accounts	H	$7.91	$7.25	$8.53
General Office Clerk III	M	$2,041.00	$1,043.00	$3,019.00	Truck Driver, Heavy	H	$13.23	$8.50	$18.50
Grocery Checker	H	$10.09	$5.77	$12.58	Truck Driver, Light	H	$13.55	$6.90	$16.37
Guard/Gatekeeper	H	$9.91	$6.45	$11.98	Waiter/Waitress	H	$5.01	$4.90	$6.00
Heating & Air Conditioning Mechani	H	$12.46	$6.00	$21.65	Warehouse Worker	H	$10.82	$5.40	$18.12
Heavy Equipment Operator	H	$13.45	$10.00	$21.67	Welder/Flame Cutter	H	$14.25	$11.25	$16.05
Host/Hostess (Restaurant)	H	$5.48	$4.90	$6.50	Word Processing Operator I	M	$1,660.00	$1,159.00	$2,199.00
Housekeeper (Hosp, Nursing Home)	H	$7.93	$6.00	$9.84	Word Processing Operator II	M	$1,851.00	$1,916.00	$2,479.00
Inspector, Quality Control	H	$14.61	$8.40	$23.68	Word Processing Operator III	M	$1,973.00	$1,738.00	$2,529.00

PERSONAL INCOME

This section deals with income rather than wages, which were discussed earlier and which are only one aspect of income. Data in this section are derived from the U.S. Department of Commerce, Bureau of Economic Analysis. All income data have been adjusted to 1994 dollars.

Total Personal Income

Personal income is generally seen as a key indicator of a region's economic vitality. Conceptually, personal income captures all types of income. Wages, salaries, government transfer payments, retirement income, farm income, self-employed income, proprietors' income, interest, dividends, and rent are all included in this measure. Because business and corporate incomes are not included, it is considered personal income.

In 1994, total personal income was $2.8 billion in Benton County and $726 million in Franklin County. Since 1970, personal income in Benton County has increased by a very strong 192 percent, outpacing the statewide growth of 149 percent. Franklin County's income only grew by 102 percent. *Figure 35* shows personal income from 1970 to 1994, indexed to 1970=100, for both counties and the state.

Per capita income, derived by dividing total personal income by total population, is generally seen as a key economic indicator. Because it is on a per capita basis, it allows comparison between different areas and times *(Figure 36)*. The figures for 1994 (latest available) were $22,053 for Benton County, $16,999 for Franklin County, and $22,542 for Washington. The counties' incomes have been on the rise since 1988, gaining each year until 1994 when Franklin County saw a drop. Although Benton County had good growth in 1994, the cutbacks at Hanford in 1995 and 1996 will probably check growth when the next figures come out.

Per capita income in Franklin County has not fared well compared to Benton County or to the state. It hit its high point in 1975 when it was at $18,483 and surpassed both Benton County and Washington, but it has yet to reach that point again. Although changes in per capita income since 1988 have been primarily positive, there exists a very large gap between Franklin County and its neighbor and the state. Benton County's level of per capita income was surpassed by the state in 1984 and has remained that way since, although the last few years has seen a narrowing of the difference between the two. In 1994, they were close to parity with only about $500 separating them. What is unusual about Benton County is that the

Figure 35
Personal Income
Tri-Cities & Washington, 1970-1994
Source: Bureau of Economic Analysis

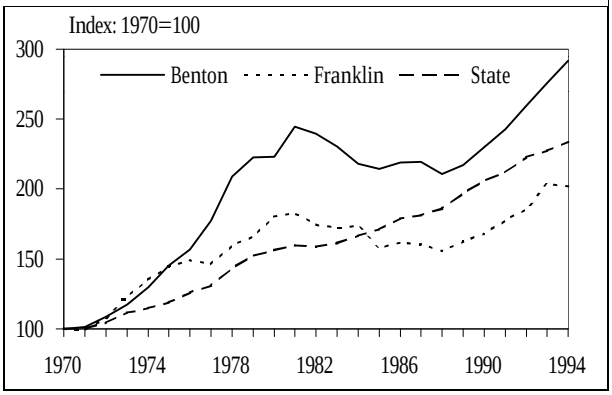
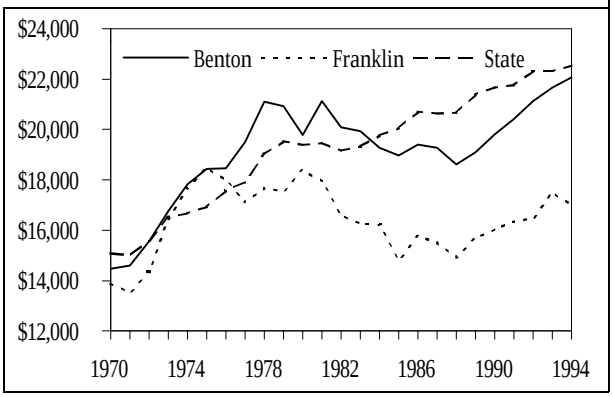


Figure 36
Per Capita Income
Tri-Cities & Washington, 1970-1994
Source: Bureau of Economic Analysis



growth of its total personal income outpaced the state while its per capita income lagged behind. Total income has grown rapidly but the population has grown faster.

Components of Personal Income

As mentioned earlier, personal income encompasses many different types of income. All the various types, however, can be subsumed under the three broad categories of earnings, transfer payments, and investment income. Earnings include wages, salaries, and proprietors' income; transfer payments include income maintenance, unemployment insurance, and retirement payments; investment income consists of interest, dividends, and rent. *Figures 37 and 38* show how these components of personal income, indexed to 1970=100, have changed over time in Benton and Franklin counties.

As the next two charts show *(see Figures 39 and 40)*, earned income is easily the largest component of personal income. It is also the slowest growing. Statewide, earnings increased by 117 percent; however, in Benton County the growth was a very strong 177 percent and in Franklin County, it was a much weaker 87 percent. Growth-rates of the other types of income have eclipsed earnings. Investment income increased 255 percent in Benton and 142 percent in Franklin. Transfer payments have had astounding growth: 362 percent in Benton and

Figure 37
Changes in Personal Income Components
Benton County, 1994
Source: Bureau of Economic Analysis

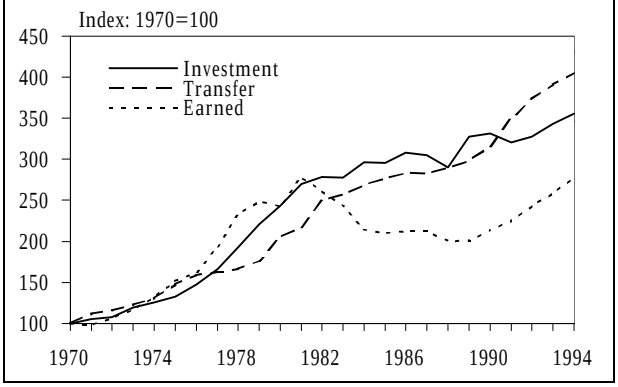


Figure 38
Changes in Personal Income Components
Franklin County, 1994
Source: Bureau of Economic Analysis

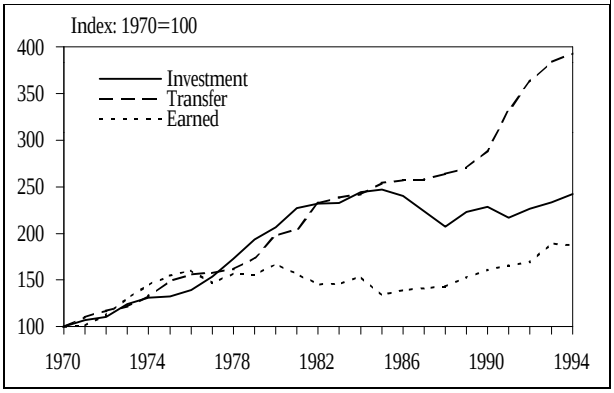


Figure 39
Components of Personal Income
Benton County, 1994
Source: Bureau of Economic Analysis

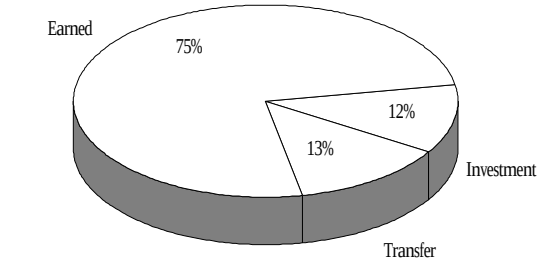
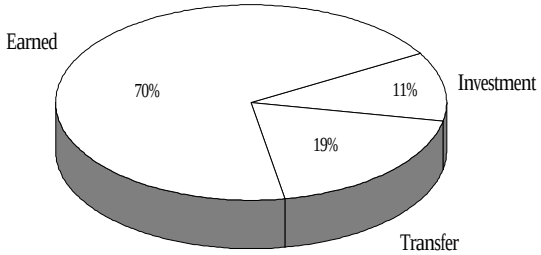


Figure 40
Components of Personal Income
Franklin County, 1994
Source: Bureau of Economic Analysis



293 percent in Franklin; both easily surpassing the statewide expansion of 220 percent.

These changes signify that a major change in the sources of income is occurring. In 1970, in both counties, earnings accounted for about 80 percent of personal income: in 1994, that share was down to 75 percent in Benton and 70 percent in Franklin. Investment income's share grew slightly, but transfer payments have ballooned over that period, especially in Franklin County.

Transfer Payments

Generally, transfer payments are said to be payments from the government to individuals for which no service is received. They are grouped into three different components: retirement related, income maintenance, and unemployment insurance benefits. Retirement related is the largest and has been the fastest growing *(see Figures 41 through 44)*. The main items in this category are social security, military retirement, government employee retirement, workman's compensation, and medical payments (primarily Medicare). Of those, Medicare has seen an especially large growth rate in recent years (medical payments, as a percentage of retirement related transfer payments in the Tri-Cities, went from 15 percent in 1978 to 30 percent in 1994).

Retirement related transfer payments accounted for a large majority of all transfer payments: 87 percent in Benton County and 80 percent in Franklin County.

Figure 41
Changes in Transfer Payment Components
Benton County, 1994
Source: Bureau of Economic Analysis

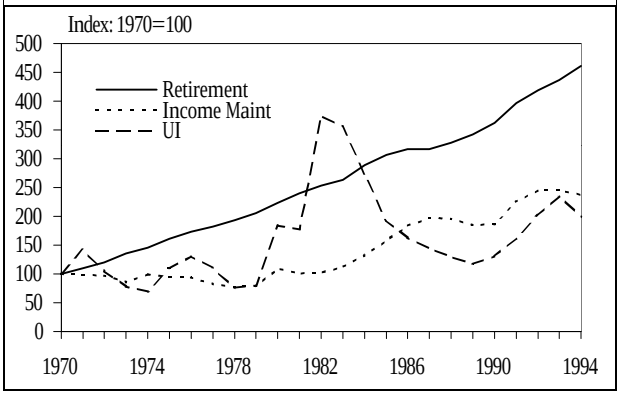


Figure 42
Changes in Transfer Payment Components
Franklin County, 1994
Source: Bureau of Economic Analysis

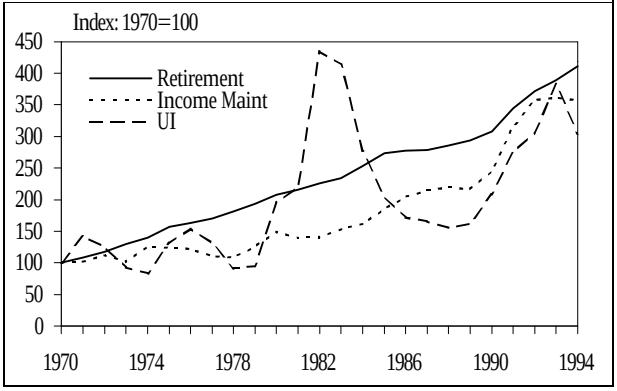


Figure 43
Components of Transfer Payments
Benton County, 1994
Source: Bureau of Economic Analysis

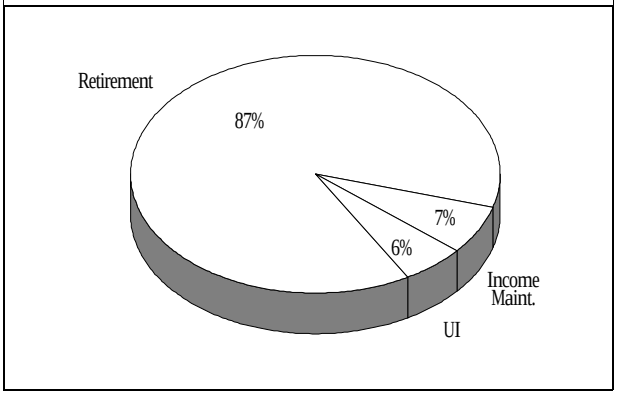
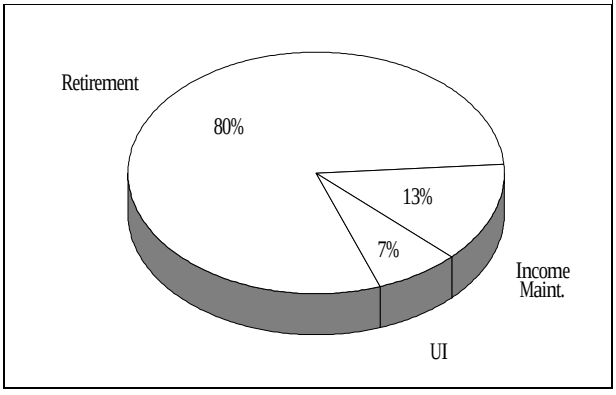


Figure 44
Components of Transfer Payments
Franklin County, 1994
Source: Bureau of Economic Analysis



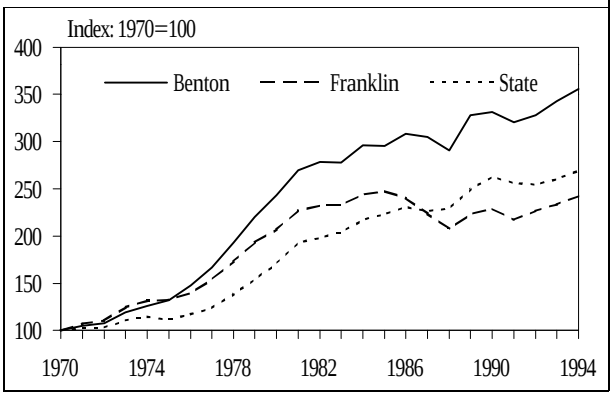
The next largest category is income maintenance payments. Commonly referred to as welfare, these payments include food stamps, aid to families with dependent children (AFDC), supplemental security income (SSI), and general and emergency assistance. As the chart shows, the growth rate of these payments has lagged retirement related payments, especially in Benton County. After growing rapidly during and immediately following the 1990-91 national recession, the level of payments flattened and even decreased over the 1992-94 period.

Unemployment insurance payments constitute the last component of transfer payments. By and large, they sharply react to economic changes and are counter-cyclical. As the economy strengthens, they decrease; as the economy weakens, they increase. As the chart shows, UI payments are quite volatile with wide and rapid swings over time. In 1994, they made up 6 percent of all transfer payments in Benton County and 7 percent in Franklin County.

Investment Income

Investment income encompasses interest derived from savings, dividends from stocks, bonds, mutual funds, etc., including payouts from retirement programs (other than government transfer payments), and income derived from rentals. In 1994, investment income in Benton County was $349 million and in Franklin County was $92 million. Since 1970, the amount of this income grew 255 percent in Benton and 142 percent in Franklin. Statewide growth was 169 percent. *Figure 45* shows the growth rates for both counties and the state, with the dollar amounts indexed to 1970=100.

Figure 45
Investment Income
Tri-Cities & Washington, 1970-1994
Source: Bureau of Economic Analysis



Earned Income

Earnings are, by far, the largest portion of personal income; however, they have been the slowest growing over the past 25 years and, as mentioned, are losing share size. Even with the diminished share size, they still account for 75 percent of all income in Benton County and 70 percent in Franklin County. Earned income is segregated into three components: wages and salaries, "other" labor income (primarily, employer contributions to health care and pension plans), and proprietors' income.

Figures 46 and 47 on the next page show the growth rate of these components (indexed to 1970=100) and it is apparent that other labor income has shown the most growth in both counties. Since 1970, it has increased 394 in Benton and 349 percent in Franklin. These are very strong increases, yet bear in mind that this type of labor income only amounted to 7 percent of all earned income in 1994 in both counties *(see Figures 48 and 49 on the next page)*.

Proprietors' income has shown the most volatility and understandably so, for a good portion of it derives from farm income, which is very dependent upon the vagaries of the weather and of the market. All in all, over the period shown, proprietors' income only grew 51 percent in Benton County, where it makes up 7 percent of all

earned income, and 34 percent in Franklin County, where it has a relatively larger 17 percent of earnings.

Wages and salaries are the largest part of earnings, but growth has been slow compared to other income components. Good growth through most of the 1970s was offset by declines in the 1980s. There has been growth, albeit modest, in the 1990s. For the entire period, Benton County's wage and salary earnings grew 186 percent while Franklin County had a 94 percent increase. Statewide, wages and salaries grew a little over 100 percent. In 1994, wages and salaries accounted for 86 percent of earnings and 65 percent of all personal income in Benton County. In Franklin County, where there is a much larger share of proprietors' income, wages and salaries made up 76 percent of earned income and 53 percent of total personal income. *Figures 46 through 49* show the growth and component size of earnings for both counties.

Figure 46
Changes in Earned Income Components
Benton County, 1994
Source: Bureau of Economic Analysis

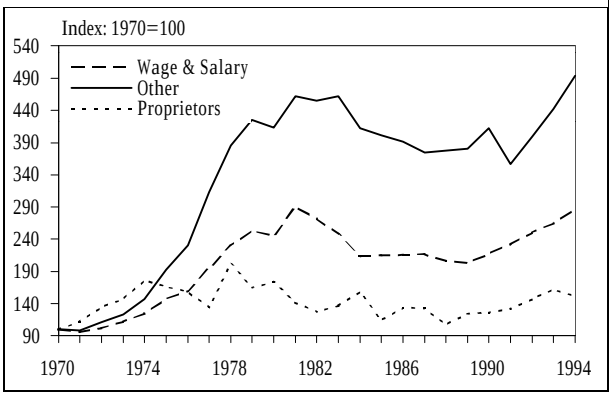


Figure 47
Changes in Earned Income Components
Franklin County, 1994
Source: Bureau of Economic Analysis

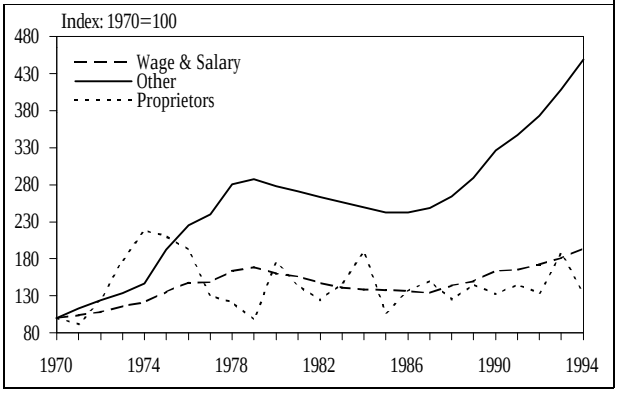


Figure 48
Components of Earned Income
Benton County, 1994
Source: Bureau of Economic Analysis

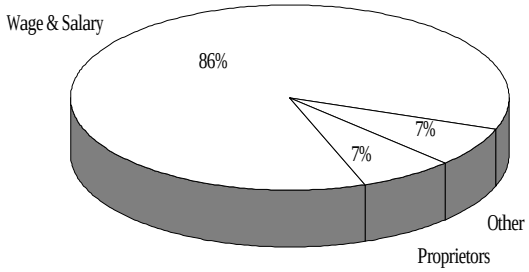
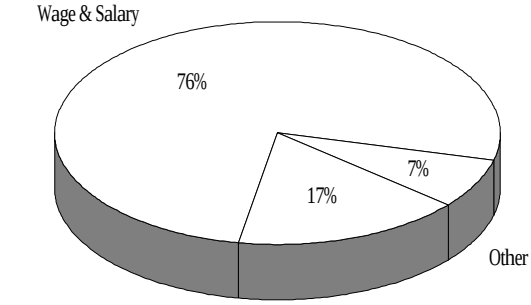


Figure 49
Components of Earned Income
Franklin County, 1994
Source: Bureau of Economic Analysis



JOB TRAINING AND ECONOMIC DEVELOPMENT

Job Training

The *Job Training Partnership Act (JTPA)* of 1982 established programs to prepare youth and unskilled adults for entry into the labor force. Of note is the emphasis placed on economically disadvantaged individuals, at risk youth, dislocated workers, and others who face serious barriers to employment. It is upon this and similar legislation that the Employment Security Department and other providers base their job service programs.

Private Industry Council. Washington is divided into areas that provide services related to employment. These regions, called Service Delivery Areas, are often administered by Private Industry Councils (PICs). For the Tri-Cities area, the administrator for job services is the *Benton-Franklin Private Industry Council*. Comprised of representatives from government and business, this nonprofit corporation has jurisdiction over JTPA grants via the state Employment Security Department. These grants are used to train and place local unskilled or unemployed workers. The PIC has jurisdiction over JTPA Service Delivery Area XI, which includes all of Benton and Franklin Counties. Administrative responsibilities and executive oversights are handled by the council. For more information call (509) 735-8543.

Job Service Center. The *Tri-Cities Employment Security Job Service Center (JSC)* is a full-service office that provides a wide range of services to all of Benton and Franklin counties. In addition to administering a number of placement and assistance programs, the JSC houses a self-service, user-friendly resource center.

The *Resource Center* provides job listings and employment information, posting local, state, and nationwide opportunities. Clients have access to a telephone, and personal computers are available for developing resumes and other business correspondence. Resource material and various videos are available on labor market information, computer software, job interview techniques, and resume writing.

Contact:

3900 West Court Street
P.O. Box 526
Pasco, WA 99302-2567
phone: (509) 534-3400
fax: (509) 534-3057

The JSC is also responsible for administering the following programs:

Jobs, Opportunities, and Basic Skills (JOBS) is administered in cooperation with the Department of Social and Health Services. It seeks to make those on public assistance self-sufficient through employment. Services include job planning and counseling, case management, child care assistance, educational and vocational training, and job placement.

The *Claimant Placement Program (CPP)* targets recent unemployment insurance applicants for job placement services to speed their return to work. This shortens the duration of unemployment for the individual and lowers costs to the unemployment insurance trust fund.

Unemployment Insurance provides temporary financial assistance to eligible unemployed individuals who are able, available, and actively seeking work, or who are in approved training programs.

The *Economic Dislocation and Worker Adjustment Assistance Act (EDWAA)* is a program designed to assist clients laid off because of either plant closures or plant restructuring and technology improvements. Through this program, clients----in addition to receiving regular unemployment insurance benefits----work with counselors to assess their jobs skills and interests and draw up an individual training strategy. The strategy might include retraining at the community college with tuition and fees paid by the state. The program also provides clients with job search workshops to enhance skills such as resume writing, application processing, and interviewing.

The *Washington State Worker Profile Program* was established to identify and assist unemployment insurance claimants who will be more likely to exhaust their unemployment compensation. The primary emphasis is to provide early intervention. The services provided are: re-employment and retraining information, labor market information, self-assessment, job interview techniques, resume preparation, and job search planning.

The JSC also offers other specialized programs. *Veterans Programs* provide a wide spectrum of services to veterans, including outreach, individual job placement and counseling, development of jobs with major employers, and education and advocacy on veteran-related issues.

The *Youth Opportunity Project (YOP)* is a service to young people between 14 and 21 who might have difficulties at home, in school, or in the community. The project introduces them to the world of work. There are no ethnic, gender, income, or academic requirements for participation in the program. Interested youths receive initial registration in this free project by attending a brief orientation at school or in the JSC office. Employers participate by providing job requests directly to the youth coordinator.

The *Refugee Program* is tailored to give assistance to immigrants. Counseling, assistance with UI claims, training and job search assistance are provided to eligible clients.

The *Migrant Seasonal Farm Worker Program*, founded in June 1980, was developed to provide services to migrant and seasonal farm workers. Services offered include providing information on farm workers rights with respect to terms and conditions of employment and providing referrals to agricultural and nonagricultural employment, to training, and to supportive services.

The JSC also provides a wide range of services to the area's employers. This can include everything from labor market information to placement assistance to interpretation of laws and regulations to referrals.

Educational Facilities. Located in Pasco with a branch campus in Richland, the *Columbia Basin College* is within a 30 minute drive from anywhere in the Tri-Cities region. It offers the traditional *Associate Degree in Arts and Science*; an *Associate Degree in Applied Science* with 26 different majors; and a number of certification programs.

Tri-City Area Vocational Skills Center. The vocational skills center is located in Kennewick and serves six school districts in Benton, Franklin, and Walla Walla counties. It offers high school juniors and seniors vocational skills training in 18 areas, ranging from carpentry to cosmetology to word processing and includes a certification program in nursing assistance.

Washington State University (WSU) at Tri-Cities. WSU at Tri-Cities, in Richland, offers graduate level and upper-division instruction to Hanford area professionals and to the public. The university offers twelve graduate and seven undergraduate programs, mostly oriented toward science.

Economic Development

The **Tri-City Industrial Development Council (TRIDEC)** was created in 1963. Its mission is to foster job creation and retention in Benton and Franklin counties, thereby contributing to the overall economic health of southeastern Washington and Washington State.

TRIDEC's mission is pursued through proactive business recruitment of activities coordinated closely through a cooperative relationship with the cities of Kennewick, Pasco, Richland, West Richland, the ports of Benton, Kennewick, and Pasco, and the entire Tri-City business community.

The current structure of TRIDEC consists of a volunteer Board of Directors and an Executive Committee. A volunteer Chairman is assisted by programmatic Vice-Chairs, also volunteers, who oversee Administration and Planning, Finance, Commerce and Industry, Hanford Programs, Economic Transition, and Agribusiness. An operations staff led by a President/CEO reports to the Chairman.

TRIDEC operations include:

- Industrial business recruitment
- Agri-business recruitment and development
- Economic transition, transferring government activities and surplus assets to private industry
- Hanford program support
- Government procurement assistance
- Small business development

The **Port of Pasco**, located adjacent to the Columbia River, operates numerous facilities, including the Tri-Cities Regional Airport. The Port's holdings include a 600

acre industrial center with eight sprinklered warehouses, each of 173,000 square feet. Twenty-eight acres are used for the bulk cargo marine barge terminal, and the container barge terminal has three berths, on-dock rail service, and a 15-acre container yard. The Pasco Processing Center is a 250 acre site for food processing plants.

Chambers of Commerce are generally comprised of business owners and other interested individuals who work together to further the business interests of their communities. The Tri-Cities area has Chambers of Commerce in Connell, Kennewick, Pasco, Prosser, and Richland.

Transportation Infrastructure. In addition to a well-developed network of roads and highways, the Tri-Cities area has good air, rail, and barge facilities. Barge slips and loading docks can be found in the ports of Benton and Pasco. Airports are located in Pasco (Tri-Cities Regional, which handles major carriers), Prosser and Richland (general aviation), and Connell and Kennewick (private commuters). Extensive rail service is provided by Washington Central Railroad, Union Pacific, Burlington Northern, and Amtrak.

SUMMARY

The two salient features of the economy of the Tri-Cities area, agriculture and Hanford, account for almost one-third of all employment in the two counties, and if associated industries, like food processing, are factored in, the figure goes much higher. Agriculture has been a mainstay of the area since the time of white settlement, and Department of Energy nucleonic operations since the second world war.

Agriculture employment has been growing every year, totaling almost 10,000 in 1995, and the number of jobs is close to equal between the two counties: Benton has 52 percent and Franklin has 48 percent. Of these, about 8,400 were involved in crop production with the remainder rearing livestock or providing agricultural services. Although the agricultural sector is a primary industry in the Tri-Cities, its large work force, on average, is paid the least of all major industry sectors. The average annual wage for agricultural workers was $11,668 in 1995. (Significant amounts of part-time work in the industry drive the average down: the figure does not necessarily represent the yearly wage of a full-time worker.) Major crops include wheat, potatoes, asparagus, grapes, and deciduous orchards bearing cherries, apples, and other fruits.

The Department of Energy operations at Hanford employed over 14,000 workers in 1996. The emphasis at Hanford is the peace time application of nuclear energy and significant research goes into that effort. Since the end of the Cold War and following the repercussions from Chernobyl, a primary effort at Hanford has become environmental cleanup. Because the work still revolves around nucleonics, the work force is highly specialized, contains a large number of professional and technical occupations, and receives relatively high pay. The payroll from Hanford injects a vast amount of money into the local economy and contributes greatly toward the prosperity of the region.

The dark cloud on the horizon is further cutbacks in federal funds for the cleanup effort at Hanford. While the project remains an ongoing one, the Department of Energy has sustained budget cuts which in turn reduces the amount going to Hanford. The budget, and in turn, employment, has fallen (1996 employment is down 8 percent from 1995). And further reductions are likely to occur.

The area has a relatively small manufacturing sector compared to the state; only 8 percent of nonfarm jobs as opposed to a 14 percent share statewide. However, within manufacturing, the food processing industry is quite large and stable and employs a large number of workers (about 3,600) in 1995. The trade sector is large and growing----having a 22 percent share of nonfarm jobs----and the services sector is very large for it includes most of the Hanford operations.

Overall, nonfarm employment had been growing strongly since the late 1980s in the Tri-Cities. The cutbacks at Hanford, though, brought a drop of 2,200 workers from 1994 to 1995, the largest decline since the "double-dip" national recessions of the early 1980s. Because people tend to follow jobs, the next year in the Tri-Cities brought a halt in population growth, the first since 1988-89. The Office of Financial Management estimated the 1994 Benton-Franklin population at 169,900; in 1995 it grew substantially to 175,000; in 1996 it decreased to 174,700.

As mentioned above, the average wage for agriculture is relatively low. However, the overall average (all sectors) in 1995 in Benton County was $29,785 (ranked second in the state after King County) and in Franklin County was $20,420 (ranked twenty-third in the state). Washington's average was $27,446. Even though there is a large difference between the income level of the two counties (because of Hanford), the average has been rising in real dollars for both since 1990, halting a downward slope that went on throughout the 1980s. The same trend has occurred with per capita income (although it did fall off some in 1994 in Franklin County). In 1994, per capita income was $22,053 in Benton and $16,999 in Franklin.

Unemployment has risen as the cutbacks have continued at Hanford. Agricultural areas, like the Tri-Cities, tend to have higher unemployment than other areas because of the seasonality of the work. In this area, though, that has been offset by strong and stable employment at Hanford. Dependent upon funding by Department of Energy and attendent job cuts, the unemployment rate could go higher. In 1994, Benton County had a 5.2 percent unemployment and Franklin County an 8.7 percent unemployment rate. With the

recent job cutbacks, these rates went to 7.5 percent and 10.0 percent, respectively, in 1995.

The Tri-Cities area has a fundamentally strong economy supported by agriculture, food processing, and related industries on the one hand and government related employment on the other. While the nucleonic work at Hanford is currently in the midst of some downsizing, the project is a long range effort that will employ substantial amounts of people for years to come. Agriculture, food processing, and related industries are also primary elements of the economy and will continue to provide a substantial employment base.